

DIRECTORS	: Saroj Kumar Poddar, Chairman H. S. Bawa, Vice Chairman N. Suresh Krishnan, Managing Director Akshay Poddar, Executive Director Arun Duggal J. N. Godbole Marco Wadia Gopal Krishna Pillai (w.e.f. 31 July, 2012)
CHIEF GENERAL MANAGER & COMPANY SECRETARY	: R. Y. Patil
PRESIDENT AGRI-BUSINESS	: Naveen Kapoor
VICE PRESIDENT - FINANCE	: V. Seshadri
VICE PRESIDENT-STRATEGIC PLANNING	: V. K. Sinha
BANKERS	: State Bank of India HDFC Bank Limited Corporation Bank Canara Bank Indian Overseas Bank IDBI Bank
LEGAL ADVISERS	: Crawford Bayley & Co., Mumbai Khaitan & Co., Kolkata
AUDITORS	: S. R. Batliboi & Co. LLP Chartered Accountants, Gurgaon
REGISTERED OFFICE	: Jai Kisaan Bhawan Zuarinagar, Goa 403 726.

DIRECTORS' REPORT

To the Members,

1. Your Directors place before you the Fourth Annual Report of the Company together with Statement of Accounts for the accounting year ended 31st March, 2013.

2. Financial Results and Appropriation:

₹ In Lacs

Particular	Current Year	Previous Year
Profit for the year before depreciation and taxation	5427.66	16827.25
Less : Depreciation for the year	2379.44	1801.66
Profit / (loss) before tax	3048.22	15025.59
Less : Provision for taxation – Current Tax	929.84	4737.51
– Deferred Tax (Credit)	(326.25)	(29.63)
Profit / (loss) after tax	2444.63	10317.71
Add : Balance of profit brought forward	3848.32	(2.97)
Less : Transfer to general reserve	500.00	5000.00
Proposed Dividend : 30 % (PY 30%)	1261.74	1261.74
Tax on dividend (Including Surcharge)	214.43	204.68
Balance of profit carried forward	4316.78	3848.32

3. Dividend:

The Directors recommend a dividend of ₹ 3.00 per equity share (₹ 3.00 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. Directors:

Mr. Gopal Krishna Pillai was appointed as Additional Director on the Board of your Company on 30th July, 2012. He will hold office till the conclusion of the ensuing Annual General Meeting.

Mr. S. K. Poddar, Mr. H.S. Bawa and Mr. J.N. Godbole retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The resume and details of other directorship and committee membership of Mr. S.K. Poddar, Mr. H.S. Bawa and Mr. J.N. Godbole, are given in Annexure 'C' to this report.

6. Change in Name

During the period under review, the name of your Company was changed from Zuari Holdings Limited to Zuari Agro Chemicals Limited vide fresh certificate of Incorporation dated 28th September, 2012, issued by Registrar of Companies, Goa, Daman & Diu.

7. Auditors:

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

8. Cost Auditor:

The Company re-appointed Mr. Savari Muthu I., Cost Accountant, Membership No.6716, as the Cost Auditor for the year 2012-13. The Cost Audit Report for the year ended 31st March, 2012 was filed by the Company with the Ministry of Corporate Affairs on 2nd January, 2013.

9. Conservation of Energy:

The information disclosing particulars of conservation of Energy for the year 2012-13 is given in **Annexure 'A'** of the Annual Report.

10. Technology Absorption:

No new technology was absorbed during the year 2012-13.

11. Foreign Exchange earnings and outgo:

By producing fertilizers, of which the country is a net importer, there has been savings of valuable foreign exchange to the National exchequer. Foreign exchange earnings and outgo is noted under note to financial statements having reference nos. 28,29 & 30 of the Annual Report and Accounts.

12. Capital Projects:

The Company is revamping its Ammonia Plant to 1100 MTPD capacity. M/s. Kellogg Brown & Root, Houston, U.S.A. is carrying out the Basic Engineering Design Package which will be completed by mid 2013-14. This project will significantly reduce the energy consumption. The additional ammonia produced is intended to be used for production of NPK fertilizers, thus reducing ammonia import.

The Company is also considering a brown field Ammonia/Urea Plant of capacity 2200 MTPD Ammonia and 3850 MTPD Urea. Both the above will enhance annual Urea production capacity to 1.8 MMTPA with an energy number comparable to the best in the industry.

The Company is in the process of revamping NPK Plant 'A' capacity to 1350 MTPD of Di-Ammonium Phosphate (DAP) / 1600 MTPD of NPK fertilisers. The Basic Engineering Design has been carried out by M/s. INCRO S.A., Spain. The Detailed Engineering contract for the project is being carried out by M/s. Uhde India Ltd. on EPCM basis (Erection Procurement Construction & Management) and is in progress. The project is expected to be completed by the next financial year end.

The Company is also exploring building a captive jetty to facilitate better logistics for its raw material handling and finished product handling. This will greatly improve the Company's ability to ship out large quantities of fertilizers to the market at a faster rate. This will also reduce the congestion of traffic through the city of Vasco-da-Gama as presently part of the raw material like ammonia; phosphoric acid and potash are brought in by roads tankers/trucks.

13. Environment & Safety:

The Company's Fertilizer Plant continues to be a 'Zero Effluent Discharge Plant' since 1990 and the man-made green belt around the Complex continues to flourish and attract a variety of birds and animals.

In line with the Company's policy to continuously improve the surrounding environment, it has installed and commissioned an online continuous ambient air quality monitoring station. The Company is in the process of installing an online continuous stack monitoring system for the Utilities Boiler stack.

The Company has also installed a Reverse Osmosis Unit for treatment of waste water and to recover treated water from it.

The Company continues to give thrust to safety initiatives across all functions.

The Company's mass community awareness programmers on the do's and don'ts in the event of Ammonia leakage continued. Programmes were conducted for schools and the employees and port users of Mormugao Port Trust. Campaigns were also conducted through FM Radio. The Company also participated in community awareness programmes conducted by the South Goa District Collectorate wherein local bodies like Panchayats, Police and Fire Services were present.

14. Personnel :

The industrial relations with Company employees continue to be harmonious. The industrial relations with contract workmen is not conducive in view of strike and stoppage of work by bagging section workers.

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

15. Employees' Stock Option Scheme:

The Scheme for Employees Stock Option (ESOPS) was approved by the shareholders in the Annual General Meeting held on 7th August, 2012. The Company has not issued any ESOPS to its employees during the year.

16. Subsidiary Companies:

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

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

A brief review of subsidiaries of the Company are given here below : –

Subsidiaries:

a. Zuari Fertilisers and Chemicals Limited :

Zuari Fertilisers and Chemicals Limited (ZFCL) a wholly owned subsidiary of your Company was incorporated on 11th August, 2009 for Manufacture of organic and inorganic fertilizers to cater the increased demand for fertilizers mainly the farmers of Karnataka and Maharashtra. ZFCL is in process of setting up a 600 TPD unit at Mahad in Maharashtra for manufacture of Granulated Single Super Phosphate (GSSP). The unit is likely to be commissioned in 2013–14.

The Company has also plans for setting up customized Fertiliser Plants in Solapur– Maharashtra and Goa.

Recently, ZFCL has acquired 9.72% stake in Mangalore Chemicals & Fertilisers Limited (MCFL). MCFL is a company engaged in manufacture of urea and complex fertilisers.

b. Zuari Seeds Limited:

Zuari Seeds Limited (ZSL) achieved a turnover of Rs 57.5 crores against budget of Rs 60 crores for the year 2012–13. The year has been tough for seed industry due to seasonal aberrations / Deficit, delayed and erratic monsoon experienced in Kharif 2012 and Rabi 2012 affecting principal crops like cotton, paddy, vegetables etc. Despite all these factors Company could achieve 94% of its budgeted target.

Though 2012–13 has been satisfactory in terms of business volumes, margin pressure was felt in most of the crops like cotton, Bajra and paddy due to product mix and increased competition at market place.

ZSL, besides its own dealer network, through the network of its Group Companies, Zuari Agro Chemicals Limited and Paradeep Phosphates Limited, introduced another 4 brands in Bt cotton in the states of Maharashtra, Karnataka and Andhra Pradesh thru Multi Branding strategy. In Central Zone in Madhya Pradesh, ZSL has received clearance from concerned authorities to sell its new hybrid crop name Mahalaxmi in the premium segment. ZSL has also introduced 2 more brands in BT cotton in North Zone in Haryana and Punjab.

One new hybrid 1288 developed for north zone has given outstanding performance in multi location trials in Haryana and Punjab. In Hybrid paddy ZSL signed an MOU with Director of Rice Research to introduce notified Hybrids. In extra early segment markets in north, ZSL is introducing a new Hybrid 6305 in coming Kharif season.

In Maize 4 new hybrids equal to popular Major segments have been developed and will be introduced in the year 2013–14 which will result in scaling up of volumes in the coming years.

17. Joint Ventures:

A brief review of joint ventures of the Company are given herebelow:-

a. Zuari Maroc Phosphates Limited :

Zuari Maroc Phosphates Limited (ZMPL), a 50:50 joint venture with Maroc Phosphore S.A., Morocco, was established as Special Purpose Vehicle (SPV) for acquisition of stake in Paradeep Phosphates Limited

(PPL). At present, ZMPL is holding 80.45% of the equity stake in PPL. ZMPL is in process of shifting its registered office from the State of Goa to the State of Odisha.

b. Zuari Rotem Speciality Fertilisers Limited :

Zuari Rotem Speciality Fertilisers Limited (ZRSFL), a 50:50 joint venture with Rotem Amfert Negev Limited, Israel, has Water Soluble Fertilizers manufacturing facility at Baramati, Maharashtra. ZRSFL has a capacity of 24000 MT per annum in two shift basis for production of different NPK blends. Plant is working on one shift basis & producing 30 MT per day on an average basis.

Production of Poorna was 5093 MT and sales of Poorna, Atom and Boost were 5708 MT for the year 2012–13. The total turnover for the year was 40.62 crores.

18. Listing of Shares:

The Company had allotted 2,94,40,604 equity shares of ₹ 10/– each to the shareholders of Zuari Industries Limited (now Zuari Global Limited) on 13th April, 2012. The Equity shares of the Company have been listed on the Bombay Stock Exchange and National Stock Exchange on 27th November, 2012.

19. Corporate Governance:

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement is enclosed as **Annexure ‘C’**. The Auditor’s Certificate on compliance of conditions of Corporate Governance is enclosed as **Annexure ‘D’**. Declaration of Managing Director is enclosed as **Annexure ‘E’** and the Management Discussion & Analysis is enclosed as **Annexure ‘F’**.

20. 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.

A. Care of Stake holder

(i) Agri technology learning center for farmers and extension workers

For making farming a profitable venture, the farmer has to adopt scientific cultivation practices and optimize his cultivation cost. To facilitate farmers to acquire advanced knowledge in farming and desired skills, Zuari Agro Chemicals Ltd has embarked on an ambitious project known as Zuari Agri Park. This 105 acre model farm is established in Lamboti village of Solapur district in Maharashtra. New technologies demonstrated on the farm for practical learning of farmers, include scientific irrigation scheduling and use of micro irrigation, efficient nutrient management through fertigation, seedling plantation in red gram, commercial crop cultivation under polyhouse system, low cost vermicompost technology, paired row planting

in sugarcane, water saving plasticulture techniques, validation of control of bacterial blight in pomegranate etc. Besides, high yielding and disease free seedlings of sugarcane, papaya, drumstick, marigold, chili and tomato have been raised under shed-net nursery and made available to farmers. During the year, over 5000 farmers from various parts of Maharashtra and Karnataka paid visits to Zuari Agri Park, Solapur and they were familiarized with modern agricultural practices through on-farm practical advisories at the farm. Apart from farmers, students from agriculture colleges, team of Agriculture Technology Management Agency officials have also accessed and learned about advanced technologies operationalised at farm.

(ii) Farmers' facilitation to adopt practices for soil health improvement

With the objective to enable farmers to improve the soil health, Zuari is providing soil, plant and water related diagnostic services to farmers in its marketing territory. Company has equipped its laboratories with latest equipments for precision and fast delivery of nutrient recommendations. Soil Health cards are made available on line to ensure delivery in shortest time. During 2012-13, not only 62,000 health cards were provided to farmers but fertility maps of 66 villages have also been prepared in collaboration with Government of Maharashtra. These maps are displayed at Village Panchayats to facilitate farmers adopt efficient and balanced use of fertilisers.

(iii) Instant expert advice to farmers

Company has extended its toll-free telephone service, 1800 121 2333 "Hello Jaikisaan". The farmers across all states can access the service during specified hours on all working days. This service is provided through Specialists based at Agricultural Development Laboratories located at Pune, Bangalore and Tirupati. During the year 2012-13, 14180 farmers have availed benefit of this service.

(iv) Strengthening private extension system

Agri input dealers and retailers are accessed by farmers to meet the requirements of inputs and first hand technical advice, however, most of the input dealers are not trained and updated on innovations in use of new products and agronomic practices. To strengthen this informal channel of technology dissemination for ultimate benefit of farmers, the company organized 39 training sessions in various parts of marketing territory to update the technical knowledge specifically on proper use of agri inputs and crop care.

(v) Encouraging adoption of efficient farm technologies

By adopting new technology such as micro-irrigation, fertigation etc., farmers can improve their income from agriculture. Your Company conducted special training programmes on use of micro-irrigation systems at 24 locations in different parts of marketing territory. Scientists from Research stations and Agronomists

from renowned drip irrigation companies were the chief mentors during these training programmes.

(vi) Promoting technologies suited to small and marginal farmers

By using drip irrigation system, farmers can save up to 70% water and increase yield by 40-50%. However, for small-plot farmers, a comprehensive drip irrigation system is not viable due to high cost. Therefore, the Company endeavors to promote low cost drip systems, a latest technology designed exclusively for small-plot farmers. The new US based system entails advanced laser technology for uniform discharge of water at low pressure and works on gravitational force. Company organized 35 demonstrations on low cost drip during the year 2012-13.

(vii) Support for enhancing sugarcane productivity in Goa

Average yield of sugarcane in Goa is only about 25 tonnes per acre. By adopting new high yielding varieties and fertigation techniques, yield can be enhanced to 50 tonnes per acre. Since there is no research station for sugarcane in Goa, farmers in the state have no access to good quality planting material. Zuari has therefore provided seed material of high yielding Co-265 variety for 15 acres of seed nursery in Goa. Seed material is procured from Zuari's model farm Zuari Agri Park, Solapur. Project is implemented in joint collaboration with Sanjivani Sugar factory, Goa.

B. Activities for Social and all inclusive development

(i) Relief to drought affected area in Maharashtra

Maharashtra state is facing one of the worst droughts in four decades. According to official figures, 15 districts comprising of 11801 villages are drought affected. Situation in Ahmednagar district, one of the largest districts in western Maharashtra, is grim owing to failure of monsoon. About 600 tankers are in operation for supply of water to villages in the district. However, in many villages, there are no facilities for storage of water. To ease the problem of storage, Zuari distributed ten water storage tanks, each of 1000 liters capacity in Bhole Pathar village in Ahmednagar Taluka.

(ii) Location specific services under Jaikisaan Sangam

Under Company's Customer Relationship Management Programme "Jaikisaan Sangam", crop advisory services are provided to registered farmers. Trained grass root level workers, known as Jaikisaan Krishi Salahakars (JKS) are placed in villages for this purpose. Each Jaikisaan Krishi Salahakar provides advisory services to about 250 farmers in his operational area. Normally, Jaikisaan Krishi Salahakar meets the farmer at his farm/door step, once a week for counseling. In the year 2012-13, 244 JKS were deployed in marketing territory comprising of Maharashtra, Karnataka Andhra Pradesh, Goa, Tamil Nadu, Kerala and Madhya Pradesh. About 47683 registered farmers were provided crop advisory services during the year.

Besides advisory services to farmers, 63 Animal Health Camps, 2 Children Health Camps, 110 Farmer Training Programmes and 60 Farmers' Visits to Research Stations were organized during the year under Jaikisaan Sangam Programme.

(iii) Sponsoring Rural sports in villages.

With the objective to support and encourage traditional sports in villages and inculcate competitive spirit amongst youth, the company sponsors several rural sports in the marketing area. During the year, company organized wrestling competitions at 6 locations in Karnataka and Maharashtra.

C. Dissemination of Information on CSR:

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

21. 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 judgements

and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit and loss account for the period ended 31st March, 2013;

- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the annual accounts on a going concern basis.

22. Directors comments on Audit Report:

There were no adverse comments by the statutory auditors of the Company in their Report and Auditors' Report and notes thereto are self-explanatory in nature.

23. 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

Gurgaon
May 9, 2013

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Conservation of Energy

April to March 13 (Zuari Agro Chemicals Limited)

FORM A (See Rule 2)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	Current Year 2012-13	Previous Year 2011-12 (9 Months)
A POWER & FUEL CONSUMPTION		
1 Electricity		
a) Purshased		
Unit(KWH)	5661025	6835981
Total Amount (₹ In lacs)	358.08	348.11
Rate / Unit (₹)	6.33	5.09
b) Own Generation (KWH)		
i) Through Diesel Generator		
Unit (KWH)	15021580	16560160
Units per. Kg of Diesel/LSHS/Fuel Oil	4.049	3.928
Cost / Unit (₹)	10.97	10.16
ii) Through Steam Turbine/Generator		
Unit(KWH)	47536079	33758681
Units per kg. of Fuel Oil / LSHS	4.582	4.268
Cost / Unit (₹)	9.69	9.35
2 a) Furnace Oil		
Quantity (MT)	70644	55828
Total cost (₹ In lacs)	31370.37	22273.06
Average Rate (₹ /MT.)	44406.25	39896.02
3 a) Natural Gas		
Quantity (SM3)**	5300353	-
Total cost (₹ In lacs)	1954.77	-
Average Rate (₹ /SM3)	36.88	-
4 Other/internal generation (please give details)		
Diesel		
Quantity (KL)		
Total cost (₹ In lacs)	N.A.	N.A.
Average rate (Rs/KL)		
B CONSUMPTION PER UNIT OF PRODUCTION		
1 Electricity		
Product (with details) Unit		
i) Purshased Power (KWH)		
Urea	8.39	5.75
18:46:0	10.13	16.68
10:26:26	9.94	11.06
12:32:16	4.54	7.48
19:19:19	17.95	31.75
ii) Generated Power (KWH)		
Urea	120.52	116.98
18:46:0	72.31	52.25
10:26:26	57.84	42.36
12:32:16	51.21	56.13
19:19:19	153.84	9.36
2 Furnace Oil (MT)		
Urea	0.17	0.17
18:46:0	0.02	0.02
10:26:26	0.02	0.01
12:32:16	0.02	0.02
19:19:19	0.04	0.01
3 Natural Gas(SM3)		
Urea	13.67	-
4 Others	-	-

** Natural gas consumption for steam & power generation in utility plant only

ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

A) Employed throughout the year										
Sr. No	Name	Designation/ Nature of Duties	Quali- fication	Age (Years)	Date of Commencement of Employment	Experience (No. of Years)	Remu- neration received	Name of Last Employer	Designation	Period
1	N. Suresh Krishnan	Managing Director	B.E. (Hons.) M.Sc.	48	15-11-06	27	1,62,81,628	Zuari Cement Ltd	Director (Finance)	3 Years
2	Naveen Kapoor	President -Agri Business	B.Sc., M.B.A	59	01-09-04	36	70,10,527	Chambal Fertilisers & Chemicals Ltd.,	General Manager Sales	7 Years
3	V.K. Sinha	Vice President Special Projects	B.E., (Chemical)	49	01-01-09	26	62,91,971	Minda Management Services Ltd.,	President Corporate Strat. & Planning	1 Year & 3 Months
B) Employed for part of the year										
1	V. Kande	DGM Phosphates	B.Sc. Chemistry	60	01-05-74	38	41,34,840	NIL	NIL	NIL
2	Ramdas Vernekar	Senior Manager Laboratory	B.Sc. Chemistry	55	02-09-77	34	16,01,177	NIL	NIL	NIL
3	Rafael Fernandes	Sr. Assistant Operations	B.Sc. Chemistry	58	20-06-77	35	12,98,325	Mr. J. L. Fernandes (Partner) Mfrs. of Heavy and Fine Organic Chemical	Jr Production Che	8 Months
4	Ashok Prabhudesai	Senior Manager Commercial Accounts	B.Com	58	25-09-78	33	22,95,054	NIL	NIL	NIL
5	Ranjit Chugh	Chief Manufacturing Officer	B.Tech (Chemical)	53	12-11-12	32	25,27,578	Gujarat Fluorochemicals Ltd.	Chief Operating Officer – Dahej Operations	1 year & 5 Months

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Report on Corporate Governance

1. Company's Philosophy on Code of Corporate Governance

Corporate Philosophy of the Company is to strengthen India's industrial and agricultural base, increasing shareholder value, providing quality fertilizers and other agri inputs, healthy neighbourhood, preserving and protecting the environment.

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

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

A declaration of Managing Director as to the compliance with the code of conduct by all the Board members and senior management personnel is provided as **Annexure 'E'** to the Directors' Report.

2. Board of Directors:

The Board of Directors of the Company comprises of eight members who includes, Non Executive Vice Chairman, Managing Director and Executive Director and five Non-Executive Directors. More than half of the Board comprises of Independent Directors and Non-Executive Directors. The other related information concerning the Board is given hereunder.

During the year under review, 5 Board meetings on 9th May, 2012, 30th July, 2012, 10th September, 2012, 6th November, 2012 and 31st January, 2013 were held.

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

Director	Category of Directorship #	No. of Directorships**	No. of Board Meetings Attended	No. of shares held	Attendance at last AGM	No. of Board Committees of all Co's. *	
						Chairman	Member
S. K. Poddar	Promoter/ Chairman	13	04	79406	No	2	1
H.S. Bawa	Vice Chairman	12	05	NIL	No	–	4
N. Suresh Krishnan	MD	14	05	NIL	Yes	3	3
Akshay Poddar	ED	11	03	NIL	No	2	5
Arun Duggal	NED / I	7	05	NIL	No	2	2
J. N. Godbole	NED / I	15	05	NIL	Yes	3	7
Marco Wadia	NED / I	11	05	2811	No	3	6
Gopal Krishna Pillai ***	NED / I	03	02	NIL	No.	–	–

MD–Managing Director, 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.

*** Appointed w.e.f. 30th July, 2012.

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

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

As required under Clause 49 of the Listing Agreement, brief resume and information regarding other directorships are given herebelow :-

Mr. S. K. Poddar:

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

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

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

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

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

Mr. Poddar holds 79406 shares in the Company.

Mr. H.S. Bawa :

Mr. Harbachan Singh Bawa, aged 82, holds an MS degree in Chemical Engineering from the University of Tulsa, USA.

Mr. Bawa is presently the Executive Vice–Chairman of Zuari Global Ltd. (formerly Zuari Industries Ltd.). He has also served as Vice Chairman of Chambal Fertilizers and Chemicals Ltd., from January 1990 to August 2011.

Mr. Bawa began his career with Bahrain Petroleum Company, Bahrain after getting his Masters degree in 1955. In 1957, he joined ESSO India (now Hindustan Petroleum Corporation Limited) and held several senior positions, both in India and overseas.

In 1979, he joined Zuari Industries Ltd. (now Zuari Global Ltd.) Goa as the Executive President. He was appointed as Managing Director in 1994. Zuari Industries Ltd., one of India’s largest fertilizer conglomerates, was jointly promoted by USX (formerly US Steel) and leading industrialist, the late Dr KK Birla. Over the last four decades, Zuari Global Ltd. has diversified from its core business of fertilizers into agri–inputs, engineering services, financial services, furniture and oil tanking.

In 1988, Zuari Global Ltd., promoted Chambal Fertilizers and Chemicals Ltd (CFCL) to set up a mega urea complex in northern India. CFCL has also set up a large joint venture project (IMACID) in Morocco in partnership with OCP, to produce phosphoric acid.

Mr. Bawa has been the Chairman of the Fertilizer Association of India (FAI), which is the second largest fertilizer association in the world and is presently member of the International Fertilizer Association Council.

Mr. Bawa is widely travelled and has participated in various key negotiations with potential business partners. He has led several committees in oil and fertiliser business.

Names of Indian Public Limited Companies in which Mr. H.S. Bawa is a Director:

Sr.No.	Name of the Company
1	Indian Potash Limited
2	Lionel India Limited
3	Paradeep Phosphates Limited
4	Simon India Limited
5	Indian Furniture Products Limited

Sr.No.	Name of the Company
6	Zuari Investments Limited
7	Zuari Maroc Phosphates Limited
8	Zuari Seeds Limited
9	Zuari Global Limited
10	Zuari Fertilisers and Chemicals Limited
11	Zuari Agro Chemicals Limited
12	Gobind Sugar Mills Limited

Mr. J. N. Godbole:

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

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

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

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

Currently, Mr. Godbole is Director in Companies engaged interalia in the fields of cement, textiles, tea, sugar, transformers, paper, Heavy–chemicals and real–estate etc

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

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

3(b). Appointment of Director

Mr. Gopal Krishna Pillai was appointed as Additional Director of the Company with effect from 30th July, 2012. Mr. Pillai will hold the office of Additional Director till the forthcoming Annual General Meeting.

As required under Clause 49 of the listing agreement, brief resumé and information regarding other directorships are given herebelow:–

Mr. Gopal Krishna Pillai :

Mr. Gopal Krishna Pillai, former Home Secretary, Ministry of Home Affairs, Government of India, completed his early education in Delhi and Bangalore. Thereafter, Mr. Pillai did his post graduation in Chemistry from IIT Madras with an MSc. He joined the Indian Administrative Service (IAS) in 1972 and was allotted the Kerala Cadre. In the State Government, he held various positions as District Collector, Quilon, Special Secretary (Industries), Secretary (Health) and Principal Secretary to the then Chief Minister, A K Antony. At the Centre, Mr. Pillai has had stints in the Ministries of Defence, Surface Transport, Home and Commerce. As Joint Secretary (North–East) in the Ministry of Home Affairs during 1996–2001, he developed a unique relationship with the Governments and people of the North–East and was involved in active negotiations with various insurgent groups, including the Bodo Liberation Tigers and the NSCN (I/M).

During his five–year stint in the Department of Commerce, during 2004–09, including as Secretary (Commerce), Mr. Pillai was actively involved as the Chief Negotiator for India at the WTO, in the negotiations for Comprehensive Economic Partnership Agreements with Singapore, Japan and South Korea, European Union, Australia, New Zealand, Malaysia and ASEAN for broadening engagements with SAARC and the African Continent. He was also instrumental in the enactment of the SEZ Act, 2005 and the setting up of over 140 Special Economic Zones in India which created over sixteen lakh jobs.

Mr. Pillai retired from the Government in June 2011. He is currently a Distinguished Fellow at the Institute for Defence Studies and Analyses (IDSA), RK Mishra Chair at the Observer Research Foundation, Chairman of Ivy Cap Ventures Advisors Pvt Ltd and Chairperson of the University of Engineering and Management, Jaipur.

Names of Indian Public Limited Companies in which Mr. Gopal Pillai is a Director:

Sr.No.	Name of the company
1.	Adani Ports and SEZ Limited
2.	Zuari Agro Chemicals Limited
3.	Hindustan Petroleum Corporation 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. 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 three independent, non–executive Directors. The permanent invitees include Vice President–Finance and Chief General Manager & Company Secretary, as the Secretary of the Committee. The Committee has met 7 times during the financial year ended March 31, 2013.

Terms of Reference:

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

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

Name of the member	Status	No. of meetings attended
Mr. J.N. Godbole	Member	7
Mr. Marco Wadia	Member	7
Mr. Arun Duggal	Chairman	7

b) Investors' Grievance Committee:

Investors' Grievance Committee comprises of two independent and one Non Executive Director. The Board has designated Mr. R.Y. Patil, Chief General Manager & Company Secretary, as the Compliance Officer.

Terms of Reference:

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

There were 47 complaints received and replied to the shareholders during the year. There were no outstanding complaints or share transfers pending as on 31st March, 2013.

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

Name of the member	Status	No. of meetings attended
Mr. H.S. Bawa	Member	-
Mr. Marco Wadia	Member	2
Mr. J.N. Godbole	Chairman	2

c) Other Committees:

Apart from above, the Board has constituted Committee for Banking & Finance, Share Allotment Committee 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 Managing Director and Executive Director is as approved by the Remuneration Committee and Board and the Shareholders. The remuneration comprises salary, incentives, perquisites, contribution to Provident Fund, Superannuation Fund and Gratuity.

Amount ₹ in lacs

Executive Directors	Salary	Perquisites	Retirement benefits
Mr. N. Suresh Krishnan*	104.58	14.04	14.58
Mr. Akshay Poddar**	42.00	NIL	2.88

* Appointed as Managing Director w.e.f. 1st April, 2012.

** Appointed as Executive Director effective 1st April, 2012.

- The term of Managing Director and Executive Director is for a period of five years with effect from 1/4/2012. Notice period for termination of appointment of Managing Director and Executive Director is three months on either side.
- No severance pay is payable on termination of appointment of Managing Director and Executive Director.

Sitting fees paid to Non-Executive Directors:

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

Sr. No.	Name of Director	Sitting Fees (₹)	Commission (₹)
1.	Mr. S.K. Poddar	1,10,000	3,50,000
2.	Mr. H.S. Bawa	1,10,000	3,50,000
3.	Mr. Arun Duggal	1,90,000	3,50,000
4.	Mr. J.N. Godbole	2,70,000	3,50,000
5.	Mr. Marco Wadia	2,70,000	3,50,000
6.	Mr. Gopal Pillai	40,000	3,50,000

Payment of remuneration to the Executive Director and Managing Director is recommended by the Remuneration Committee and approved by the Board and the shareholders.

Mr. Marco Wadia, is Partner of Crawford Bayley & Co., Solicitors & Advocates, who has professional relationship with the Company. The professional fees of ₹ 14.10 lakhs paid to Crawford Bayley & Co., during the year are not considered material enough to infringe on the independence of Mr. Wadia.

6. Annual General Meetings

Details of the last 3 Annual General Meetings are:

Year	Location	Date	Time	Whether any special resolutions passed
2009–2010	Jai Kisaan Bhawan, Zuarinagar, Goa 403726	27–09–2010	2.45 p.m.	No
2010–2011	–same as above–	12–05–2011	10.00 a.m.	YES
2011–2012	–same as above–	07–08–2012	10.30 a.m.	YES

7. Disclosures

Disclosures on materially significant related party transactions, or transactions of the Company of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company: There were no transactions of material nature with the directors or the management or their subsidiaries or relatives having potential conflict with the interest of the Company during the year.

The shares of the Company were listed on 27th November, 2012 and till date there were no instances of non-compliance on any matters relative to the capital markets, neither any penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.

8. Means of communication

a. Half-yearly Unaudited Financial Results:

Unaudited financial results for the half-year ended 30th September, 2012 were published in the News Paper as per the requirement of Rule 19(2)(b) of the Securities Contract Regulations (Rules) 1957.

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.zuari.in

9. Code of Conduct & Ethics

The Company has adopted "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 code has set out a broad policy for one's conduct in dealing with the Company, fellow Directors and employees and the external environment in which the Company operates.

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

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

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

11. General Shareholders Information:

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

Annual General Meeting will be held on 24 September, 2013 at 10.30 A.M., at Jai Kisaan Bhawan, Zuarinagar, Goa.

b. Financial calendar (Tentative)

Results for the quarter ended 30th June, 2013 – 2nd week of August, 2013

Results for the half-year ended 30th Sept. 2013 – 2nd week of November, 2013

Results for the quarter ended 31st Dec. 2013 – 2nd week of February, 2014

Audited Annual Results 2013–14 – May, 2014

- c. **Date of book closure: 29th May, 2013 to 5th June, 2013 (inclusive of both days)**
- d. **Dividend payment date:**
On or after 27th September, 2013 but within the time stipulated under the Companies Act, 1956.

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

f. **Listing on Stock Exchanges:**
Company's shares are listed on:

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

g. **Stock Code :**

1. BSE Limited, Mumbai : 534742
2. The National Stock Exchange of India Limited, Mumbai : ZUARI

h. **Stock Market Data:**

High/Low share prices during the period 27th November, 2012 to 31st March, 2013

Month	High	Low	BSE Sensex	
			High	Low
November, 2012	394.00	337.90	18487.90	19372.70
December, 2012	321.05	262.15	19342.83	19612.18
January, 2013	290.00	226.60	19513.45	20203.66
February, 2013	254.55	184.15	19907.21	19966.69
March, 2013	195.00	141.15	18876.68	19754.66
Annual Average	290.91	230.39	19225.61	19781.98

i. **Share Transfer System:**

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

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

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

Link Intime India Pvt. Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W)
Mumbai – 400 078
Tel: 022 – 25946970/78
Fax: 022 – 25946969
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.com

j. **An exclusive e-mail id :**

investor_relations@zuari.adventz.com is maintained by the Company to redress the Investors 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, 2013 was as follows:

No. of shares	No. of shareholders	% of shareholders
Upto 500	33542	97.22
501 – 1000	486	1.41
1001– 2000	220	0.64
2001 – 3000	75	0.22
3001 – 4000	26	0.07
4001 – 5000	20	0.06
5001 – 10000	40	0.11
10001 and above	92	0.27

Shareholding Pattern as on 31st March, 2013:

Category	No. of shares held	% shareholding
Promoters	3,00,08,775	71.35
Banks/Financial Institutions and Insurance Companies	24,37,984	5.80
Foreign Institutional Investors	19,44,416	4.62
Mutual Funds	39,52,088	9.40
NRIs/OCBs	37,709	0.09
Private Bodies Corporate	9,87,075	2.35
Public	26,89,959	6.39
TOTAL	4,20,58,006	100.00

l. Dematerialization of shares and liquidity:

4,16,29,861 equity shares (98.98%) have been dematerialized as on 31st March, 2013.

m. Plant Location:

Jai Kisaan Bhawan
Zuarinagar Goa 403726

n. The Address for correspondence is:

Zuari Agro Chemicals Limited
Jai Kisaan Bhawan
Zuarinagar Goa 403 726.
Tel : 91-0832-2592180
Fax: 91-0832-2555279
E-mail : shares@zuari.adventz.com and/or investor.relations@zuari.adventz.com
Web site: www.zuari.in

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Auditors Certificate on Corporate Governance

To

The Members Of Zuari Agro Chemicals Limited

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

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

Firm's Registration Number: 301003E

per Anil Gupta

Partner

Membership No.: 87921

Place : Gurgaon

Date : 9th May, 2013

ANNEXURE 'E' TO THE DIRECTORS REPORT

DECLARATION OF MANAGING DIRECTOR

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, N.Suresh Krishnan, Managing Director of Zuari Agro Chemicals Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2012-13.

Gurgaon

9th May, 2013

N. SURESH KRISHNAN

Managing Director

ANNEXURE 'F' TO THE DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors is pleased to present the business analysis and outlook for Zuari Agro Chemicals Limited (ZACL) based on the current Government policies and market conditions. The Company's business is manufacture and sale of fertilisers and trading in agri inputs.

(i) The Global Economic Backdrop :

Global economic prospects have shown some improvement but the road to recovery in the advanced economies will not be easy. World growth hit a trough at about 2¼ percent in the second quarter of 2012 and reached 2¼ percent in the second half of the year. The Euro area slipped into a technical recession in Q3 2012 with Spain, Italy and Portugal experiencing protracted recession. World output growth is forecast to reach 3 ¾ percent in 2013 and 4 percent in 2014. In advanced economies, activity is expected to gradually accelerate starting in the second half of 2013. Over the past six months, policy makers in advanced economies have successfully defused two of the biggest short term threats to the global recovery viz., the threat of euro area break up and a sharp fiscal contraction in the United States caused by a plunge off the "fiscal cliff". In response, financial markets have rallied on a broad front. Moreover, financial stability has improved. The financial market rally has been helping economic recovery by improving funding conditions and supporting confidence. Activity has stabilized in advanced economies and has picked up in emerging markets and developing economies supported by policies and renewed confidence. This pick up follows the slow down in the first half of 2012 which was manifested in industrial production and global trade. Investment in major economies also dipped whereas consumption was sluggish in many advanced economies. Emerging markets and developing economies performed better. The expansion of output is expected to accelerate steadily from 5% in the first half of 2012 to close to 6% in 2014. The drivers are easy macroeconomic conditions and recovering demand from advanced economies.

However, old dangers remain and new risks have come to the fore. In the short term, risks mainly relate to developments in the euro area, including uncertainty about the fallout from events in Cyprus and policies in Italy as well as uncertainties in the periphery. In the medium term the key risks relate to adjustment fatigue, insufficient institutional reform and prolonged stagnation in the euro area as well as high fiscal deficits and debt in the United States and Japan. United States and Japan still need to devise and implement strong medium term consolidation plans. The euro area needs to strengthen the Economic and Monetary Union. In emerging markets and developing economies, some tightening of policies appears appropriate in medium term. Investor confidence remains susceptible to bouts of stress as there does not appear to be a definitive strategy to resolve the European crisis.

During the April–Sept. 2012 the risks to financial markets increased as confidence in global financial system became very fragile. The euro crisis moved into a capital flight phase despite substantial policy intervention. Emerging market economies have however adeptly navigated through the global shocks. The Global financial markets have improved appreciably in the second half of calendar year 2012 providing additional support to the economy. However, as global economic conditions remain subdued, the improvements in financial conditions can only be sustained through further policy actions that address underlying stability risks and promote continued economic recovery. Banks in advanced economies have taken significant steps to restructure their balance sheets.

The inflation pressures remain generally under control. There are no excess demand pressures in the major advanced economies. Inflation rates also remain generally under control in emerging markets and developing economies. Global inflation has fallen to about 3 ¼ percent from 3 ¾ percent in early 2012 and it is projected to stay at this level through 2014.

(ii) The World Agriculture and Food Scenario :

The FAO estimate for the world cereal production in 2012–13 is 2309 million tonnes as against 2353 million tonnes for 2011. Looking forward to 2013, the world cereal production is expected to recover strongly. This recovery would be driven by an expansion of plantings brought about by attractive prices and a recovery from below average yields in 2012. The closing stock levels are estimated at 500.1 million tonnes for 2012 as against 516.7 million tonnes for 2011.

(iii) Commodity Prices :

The overall IMF commodity price index fell by 9% since peaking in April, 2011. According to an IMF report published in April 2013, commodity prices bottomed out in June, 2012 and has since risen by 12% as a result of supply constraints and some improvements in demand. The near term outlook for commodity prices as reflected in future prices, shows broad decline across all commodity groups including oil. Overall prices are projected to decline by 2% in 2013.

International prices of Fertilisers are volatile and availability of major inputs at times is an issue given the fact that the supplies by and large are controlled by a few players.

(iv) The Global Fertiliser Scenario :

Production of Rock Phosphates was better than earlier years resulting in comfortable supply situation. In Potassic segment there are huge inventories being carried forward by importers. Some of the suppliers have announced production cuts in view of the demand destinations, specially in India.

(v) The India Picture :

The macros last year were by and large significantly down.

The GDP growth rate slowed to 5.0% in 2012–13 from 6.2% in 2011–12. The lower growth is primarily attributable to weakness in industry which registered a growth rate of only 3.1% in 2012–13. The rate of growth of manufacturing sector was even lower at 1.90%. Growth in agriculture has also been weak at 1.8% following lower than normal rainfall, especially in the south west monsoon. The services sector also showed a lower growth of 6.6% in 2012–13. Number of factors are responsible for this lower growth – inflation which led to tighter monetary policy and policy constraints adversely impacting investment. Additionally, a slowing global economy and weak monsoon also impacted the growth. As the growth slowed and the fiscal deficit widened, the current account deficit also widened.

(vi) Food & Agriculture :

In the Food and Agriculture space the estimated growth was at 3.6% as against an annual growth target of 4% in the eleventh five year plan. The rate of growth of Gross Capital Formation accelerated to 9.7% in the 11th Five Year plan. The performance of the Indian agriculture is still heavily dependent on rainfall. South west monsoon comprising 75% of the total annual rainfall substantially affects production and productivity of agriculture. During 2012–13, south west monsoon over the country as a whole was 8% less than the long period average. The total production of food grains is estimated at 250.14 million tonnes in 2012–13 as against 259.32 million tonnes in 2011–12. This is due to weak south west monsoon resulting in acreage losses. The overall area coverage during kharif 2012–13 was 665 lac hectares as compared to 720.86 lac hectares in kharif 2011–12. However the food grain stocks increased from 47million MT to 55 MMT.

(vii) The Fertiliser Scenario in India :

Although there was a positive growth of about 4% in Urea, the overall consumption of all fertilizers together registered a fall of around 2% over last year. Potassic and Phosphatic fertilisers consumption was down due to weak monsoons.

Production of Complex Grades was adversely affected as a result of unavailability of inputs during the earlier part of the year.

(viii) Policy Initiatives :

Investment Policy in Urea Sector :

The Government has notified the new investment policy in the Urea sector with a view to encourage new investments leading to increase in indigenous capacities, reduction in import dependence and savings in subsidy due to import substitution at prices below import parity prices. The Policy benchmarks realization of urea for new projects to Import Parity Prices (IPP), subject to floating floor and ceiling prices, which are, in turn, linked to gas prices. As per the policy, the floor–cap prices of urea increase in line with the gas prices till the gas price of US\$ 14/mmbtu, beyond which the units shall be paid only the floor price based on the delivered gas prices irrespective of the prevailing IPP and the concept of ceiling price will not be applicable. The pricing structure leads to an implicit pass–through of gas prices while providing reasonable returns to the investors. The new policy is in line with the demand of the industry to do away with the gas price ceiling of US\$ 14/mmbtu in the earlier proposed policy. Further, it provides downside risk protection through a cost–plus mechanism (minimum implicit RoE of 12%) and upside benefit through import parity price (IPP)–linked pricing mechanism (with a maximum implicit RoE of 20%) for new projects. Decline in subsidy outflow should also lead to lower subsidy receivables for the urea players, which should lead to an improvement in the working capital cycle of these players and decline in interest costs for the working capital borrowings, which have been high for the industry has faced in the recent past. Overall, the new investment policy is favourable for the domestic urea industry, given the importance of attaining self–sufficiency in urea for the country. The policy provides a more transparent mechanism for managing the high gas prices, which are likely to be faced by the domestic industry on account of structurally high R–LNG prices in case of lack of domestic gas availability.

The Company welcomes this new policy announcement by the Government and is evaluating opportunities.

NBS Rates for Phosphatic and Pottasic Fertilisers for 2013–14.

The Government of India announced Nutrient Based Subsidy (NBS) rates for the year 2013–14 for Phosphatic and Pottasic (P&K) fertilisers on May 1, 2013 which are lower than the NBS rates for 2012–13. These new rates will result in subsidy outgo for the government by about 15%. Government has further advised fertiliser companies to reduce the MRP of P & K fertilisers to a reasonable level.

(ix) Feed Stock :

The Company has signed an agreement with GAIL for supply of Natural Gas and has started receiving gas.

(x) Opportunities :

Government of India (GOI) continues to lay higher emphasis on agriculture sector. The average annual growth rate of agriculture and allied sectors during the 11th Plan was 3.6 percent as against 2.5 percent and 2.4 percent respectively, in the 9th and 10th Plans. Government of India has increased Minimum Support Price of every agricultural produce and Farmers have produced more. In the year 2012–13, despite drought in large parts of southern peninsula, foodgrain production is expected to be over 250 million tonnes. In keeping with the policy for achieving higher agricultural growth, Government has allocated ₹ 27,049 crore to the Ministry

of Agriculture in 2013–14 budget, an increase of 22% over last year. Government has made higher outlays for Agricultural related schemes such as Rashtriya Krishi Vikas Yojana, National Food Security Mission, Green Revolution to Eastern Region etc, which is expected to give thrust to agriculture.

Further, in recent years, the policy impetus by the government has provided much required stability to agri exports. Indian agriculture has a greater comparative trade advantage than manufactured goods. India's agricultural exports have increased more than tenfold from \$3.5 billion in 1990–91 to \$37.1 billion in 2011–12. India has emerged as the world's largest exporter of rice, replacing Thailand and Vietnam, and with lifting of ban on wheat export, the country is set to make dent in international wheat market. Further, the Union Cabinet has recently cleared the National Food Security Bill and the same is likely to be tabled in Parliament soon. The bill proposes to give five kgs of food grain per head at ₹ 2–3 kg to 70% of population. Additional 60 million tonnes of foodgrains will be required for this programme. All these developments augur well for sustained increase in demand for fertilizers in the country.

The Cabinet Committee on Economic Affairs (CCEA) has approved urea investment policy that is likely to incentivize fertilizer firms setting up new plants and expanding existing capacity. Under the new policy, the government will give 12–20 per cent post-tax return on fresh capital infused by manufacturers for setting up of new plants as well as for expansion of the existing ones. This will give boost to Fertilizer Industry in the country.

(xi) Threats :

Government of India's (GOI) policy for fertiliser subsidy is skewed towards urea. Abnormally low price of urea is leading to excessive use of this product by farmers in comparison to P & K nutrients. This has led to smothering of demand for Phosphatic and Potassic fertilizers. Distortion of nutrient consumption ratio not only affects soil fertility but also creates undue burden on Government treasury through irrational dole out of subsidy. Increase in MRPs of Urea or bringing urea under Nutrient based subsidy scheme could have helped in correcting the anomaly; but this does not appear to be on immediate agenda of the Government.

Sequential low budgeting for fertilizer subsidy by GOI is leading to rollover of subsidy to next corresponding financial year. In 2012–13, GOI did not reimburse fertiliser subsidies to Fertiliser Companies since August 2012, creating strain on company's cash flow leading to higher bank borrowings and consequent high interest costs. Although GOI has provided Rs 65,972 for Fertiliser subsidy for fiscal year 2013–14, outstanding amount from 2012–13 is nearly Rs 35000 crore and in effect, GOI has allocated only 30,000 crore for 2013–14. Thus problem of low budgeting for fertilizer subsidy has become a vicious cycle of capital strain to Fertilizer companies.

(xii) Future outlook :

Granulated Single Superphosphate plant of 600 tpd capacity, being set up at MIDC, Mahad in Maharashtra through Zuari Fertilisers and Chemicals Ltd, a wholly owned subsidiary of your company is in final stages of project implementation. The product is expected to be available for sale in 2013–14. This product has high demand from farmers due to its low price. Once Mahad plant goes on-stream, Zuari will be significantly equipped to meet rising demand of SSP fertilizers, particularly in secondary markets of Maharashtra and Madhya Pradesh.

In November 2012, your company has signed a Memorandum of Understanding (MOU) with Ras Al Khaimah (RAK) Maritime City to set up an integrated Di-Ammonium Phosphate (DAP) manufacturing facility in the UAE. With this project, the Company is expanding its manufacturing foothold outside India. The project includes setting up an integrated DAP facility along with its attendant utilities to include a power plant, private jetty and desalination plant, with an estimated project cost of \$800m. The DAP plant will be a single stream granulation plant with a capacity of producing 1 million tonnes of DAP per annum. The project, besides further consolidating Zuari's position in the fertilizer sector and playing a key role in the Company's backward integration programme, will go a long way in helping it to actively participate and grow in other global fertilizer markets.

Acquisition of a 30% stakes in Peruvian company, Fosfatos del Pacifico, through joint venture company, MCA Phosphates Pte Ltd., for assured supply of phosphate rock will help Zuari in augmenting the production of phosphatic fertilizers in India. Your company will have benefit of assured supplies of concentrated rock phosphate for minimum period of 20 years. This will enhance the availability of phosphatic fertilisers to farmers.

(xiii) Internal Control Systems and their adequacy:

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

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

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

The Internal Audit Programme was developed / aligned based on the following:

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

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

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

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

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

(xiv) Enterprise Risk Management (ERM) :

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

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

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

(xv) Operating results of the Company :

The Company has already switched over the feedstock of Ammonia Plant from Naphtha to Natural Gas from February 2013. Natural Gas is supplied by M/s. Gas Authority of India Limited (GAIL). Gas being a clean fuel, this changeover has helped the Company to decrease its environmental emissions considerably as well as reduce the energy consumption.

Urea production during the period 1st April, 2012 to 31st March 2013 was 386,718 MT while actual despatches for the year were 352,873 MT. The NPK fertilizer production for the period 1st April 2012 to 31st March 2013 was 249,643 MT. The break-up is: 158341 MT of Samarth (10:26:26), 27,865 MT of Sampatti (12:32:16), 8030 MT of Sampurna (19:19:19) and 55,407 MT of Samrat (18:46:0).

The Company has shutdown its NPK-A and NPK-B plants since December 2012 and they have not commenced operations due to contract labour problems relating to bagging. The Company also took a annual shutdown of the ammonia and urea plant from March 23, 2013.

Argon Recovery Unit remained under shutdown throughout the year due to unremunerative market conditions.

(xvi) Company's strength :

The Company has recently commenced marketing operations in the new markets of Uttar Pradesh, Rajasthan, Himachal Pradesh and Jammu and Kashmir by launching speciality fertilizer products. For market penetration, crop and area focus approach is adopted in potential clusters. Field staff comprising of Sr Agronomists and Jaikisaan Krishi Salhakars have been deployed at important locations in the clusters and field demonstrations are being organized to showcase the efficacy of foliar application of specialty fertilizers. Direct linkage with farmers through Jaikisaan Sangam programme helps the company to create pull for Jaikisaan products and establish foothold in new markets at quicker pace.

Company's new Agriculture Development Laboratory at Zuari Agri Park, Solapur will start functioning from 2013-14. This will give further boost to company's crop health services to customers. The new laboratory is armed with state-of-the-art technology to provide soil analytical services for major and micronutrients. The soil health cards are now available to farmers on line, thus saving time in delivery of reports. The laboratory will cater to the company's emerging markets in northern India as well.

Jaikisaan is the most preferred brand amongst farmers in company's primary market and the company will accrue synergic benefits of this brand in the new markets. For ease of marketing operations, Company's marketing Head Office is being shifted from Goa to Pune from May 2013 and corporate group functions will be handled from Gurgaon (NCR). With the network of around 3000 dealers, full-scale logistic operations through ports on east and west coast, complete range of agri-inputs in product basket, and host of crop health services for farmers, the company's agenda of making Pan-India presence is making headway as per schedule.

(xvii) Material development in human resources:

Professionals 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.

(xviii) Marketing:

Company's major marketing territory covers the states of Goa, Karnataka, Maharashtra, Andhra Pradesh, parts of Tamil Nadu & Kerala and Madhya Pradesh. In line with the endeavour to have Pan-India presence in near future, your company has commenced marketing operations of some of its products in the new states of Uttar Pradesh, Rajasthan, Gujarat, Himachal Pradesh and Jammu & Kashmir, beginning 2012-13.

In your company's primary marketing territory i.e. in the states of Maharashtra and Karnataka, scanty rains impacted the prospects of agriculture, almost throughout the year. Western Maharashtra witnessed one of the worst droughts in forty years. Sowing in Kharif season was reduced drastically due to long dry spell during sowing season. Storage in reservoirs of Krishna and Cauveri basin at the end of kharif season was only 62% and 38% of the total capacity due to deficit rains. Major reservoirs such as Ujani and Jayakwadi of Maharashtra remained empty, while Nagarjunsagar reservoir of Andhra Pradesh had only 33% storage at the end of monsoon. In rabi and summer season, area under main crops like paddy, sugarcane, and vegetables was significantly lower in the states of Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu due to non-availability of water.

Owing to above adverse climatic conditions, demand for fertilizers took a severe beating, resulting in glut situation in market. Coupled with this situation was contract labour unrest at Zuarinagar plant, beginning from December, 2012. Consequently, the company had to undertake shut down of DAP and complex fertiliser plants in the fourth quarter of the year, thus slowing down the supplies of indigenous products for sale.

In the backdrop of hostile climate, company's total sale of fertilisers, at 1,397,973 MT was 37% lower compared to previous year. Sale of imported fertilisers dipped by 44% to 733,978 MT. Total sale of imported DAP, at 429,269 MT declined by 32%. Sale of imported complexes was 91,574 MT against 378,905 MT of last year. In respect of indigenous fertiliser products, total sale at 663,997 MT was in line with product availability from Zuarinagar plant.

Overall demand for agri inputs in the market was also affected due to un-favourable weather conditions in marketing territory. The company managed to achieve Agri input sale of Rs 201.44 crore, 23% lower compared to previous year. Total sale of speciality fertilizers at 10,072 MT was 13% higher compared to last year. This was achieved by launching special educational programmes for farmers in the field. The seed sale at Rs 6.29 crore was 29% lower compared to previous year.

INDEPENDENT AUDITOR'S REPORT

To

The Members of Zuari Agro Chemicals Limited

Report on Financial Statement

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Emphasis of Matter

We draw attention to Note 10(a) of the financial statements. The Company has invested in equity shares of ₹ 1417.60 lacs and receivable of ₹ 1334.94 lacs by way of loans and advances in Zuari Seeds Limited, a wholly owned subsidiary of the Company, whose networth has been fully eroded. No provisions has been made against the above in view of strategic long term investment in the said subsidiary and based on its future profitability projections. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
- (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the Directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

Firm's Registration Number : 301003E

per Anil Gupta

Partner

Membership No.: 87921

Place : Gurgaon

Date: 9th May, 2013

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

Re: Zuari Agro Chemicals 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.
- (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 two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 8,250 lacs and the year end balance or loans balance of loans granted to such parties was ₹ 6,167.25 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. Also the Company has made interest-free loans to a wholly-owned subsidiary. According to the information and explanations given to us, and having regard to management's representation that the interest free loans are given to wholly-owned subsidiary of the Company in the interest of the Company's business, 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. 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) The Company has not accepted any deposit from the public.
- (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	Forum where dispute is pending
Service Tax Act	Service tax liability	173.57	2006-07 to 2012-13	CESTAT
Central Sales Tax Act	Demand for non submission of "F form"	27.46	2010-11	Commercial Tax Department

- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the 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 not given any guarantee for loans taken by others from bank or financial institutions.
- (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 preferential allotment of shares to parties and 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 course of our audit.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

Firm's Registration Number: 301003E

per Anil Gupta

Partner

Membership No.: 87921

Place : Gurgaon

Date: 9th May, 2013

Balance Sheet as at 31st March, 2013

₹ in Lacs

		Notes	31st March 2013	31st March 2012
I. EQUITY AND LIABILITIES				
Shareholders' funds				
(a)	Share capital	3	4,205.80	4,205.80
(b)	Reserves and surplus	4	75,221.62	74,253.16
Total			79,427.42	78,458.96
Non-current liabilities				
(a)	Deferred tax liabilities (Net)	5	1,168.18	1,494.42
(b)	Other non-current liabilities	6	5,411.03	4,781.15
			6,579.21	6,275.57
Current liabilities				
(a)	Short-term borrowings	8	2,91,381.02	2,96,501.77
(b)	Trade payables	6	47,532.79	74,620.53
(c)	Other Current Liabilities	6	8,640.67	5,649.71
(d)	Short-term provisions	7	4,676.73	5,221.69
			3,52,231.21	3,81,993.70
Total			4,38,237.84	4,66,728.23
II. ASSETS				
Non-current assets				
(a)	Fixed assets			
i	Tangible assets	9	18,817.29	18,966.35
ii	Intangible assets	9(a)	0.90	73.77
iii	Capital work-in-progress		8,081.15	1,954.02
(b)	Non-current investments	10	19,749.97	19,749.97
(c)	Long-term loans and advances	11	11,548.11	9,532.85
(d)	Other non-current assets	12	847.97	131.40
			59,045.39	50,408.36
Current assets				
(a)	Inventories	13	58,113.12	72,164.89
(b)	Trade receivables	14	2,96,289.71	2,95,198.04
(c)	Cash and bank balances	15	15,675.22	33,259.01
(d)	Short-term loans and advances	11	6,083.97	6,642.91
(e)	Other current assets	12	3,030.43	9,055.02
			3,79,192.45	4,16,319.87
Total			4,38,237.84	4,66,728.23

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 Agro Chemicals Limited

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

Firm's Registration No.: 301003E

S. K. Poddar

Chairman

N. Suresh Krishnan

Managing Director

Marco Wadia

Director

Per Anil Gupta

Partner

Membership No. : 87921

V. Seshadri

Vice President Finance

R. Y. Patil

Chief General Manager &

Company Secretary

Place : Gurgaon

Date : 9th May, 2013

Place : Gurgaon

Date : 9th May, 2013

ZUARI AGRO CHEMICALS LIMITED (Formerly known as Zuari Holdings Limited)
Statement of Profit and Loss for the Year Ended 31st March, 2013

₹ in Lacs

	Notes	31st March 2013	31st March 2012
I. Income			
(a) Revenue from operations (gross)	16	5,24,522.49	6,18,846.23
Less: excise duty		781.79	758.50
(b) Revenue from operations (net)		5,23,740.70	6,18,087.73
(c) Other income	17	5,788.68	5,611.61
Total Revenue		5,29,529.38	6,23,699.34
II. Expenses			
(a) Cost of raw materials consumed	18	1,96,294.43	1,89,981.03
(b) Purchase of traded goods	19	2,16,513.92	3,14,351.60
(c) (Increase) /decrease in inventories of finished goods, work-in-progress and traded goods	20	6,405.19	14,520.57
(d) Employee benefits expense	21	7,537.81	5,480.17
(e) Depreciation and amortization expense (including ₹ 431.07 lacs for earlier years)	23	2,379.44	1,801.66
(f) Finance Costs	24	21,032.62	11,598.80
(g) Other Expenses	22	76,317.75	70,939.92
Total Expenses		5,26,481.16	6,08,673.75
III. Profit before tax (I – II)		3,048.22	15,025.59
IV. Tax expenses			
(a) Current income tax		929.84	4,737.51
(b) Deferred tax (credit)		(326.25)	(29.63)
Total tax expense		603.59	4,707.88
Profit for the year (III–IV)		2,444.63	10,317.71
Basic	39		
Earnings per equity share [nominal value of share ₹ 10/– (31st March 2012 – ₹ 10/–)]		₹ 5.81	₹ 30.97
Diluted			
Earnings per equity share [nominal value of share ₹ 10/– (31st March 2012 – ₹ 10/–)]		₹ 5.81	₹ 30.97

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 Agro Chemicals Limited

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

S. K. Poddar
Chairman

N. Suresh Krishnan
Managing Director

Marco Wadia
Director

Per Anil Gupta
Partner
Membership No. : 87921

V. Seshadri
Vice President Finance

R. Y. Patil
Chief General Manager &
Company Secretary

Place : Gurgaon
Date : 9th May, 2013

Place : Gurgaon
Date : 9th May, 2013

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

₹ In Lacs

PARTICULARS	Year ended 31st March,2013	Year ended 31st March,2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit / (loss) before tax	3,048.22	15,025.59
Adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortisation	2,379.44	1,801.66
Sundry balances written off	-	(10.87)
Loss on fixed assets sold / discarded (net)	82.95	122.00
Excess Provision / Unclaimed Liabilities / unclaim balances written back	(229.60)	(16.93)
Unrealized foreign exchange fluctuation loss	(98.49)	102.64
Interest expense	9,512.07	3,910.94
Interest income	(1,545.92)	(1,365.78)
Dividend income	(1,001.18)	(916.98)
	<u>9,099.27</u>	<u>3,626.68</u>
Operating Profit before Working Capital Changes	<u>12,147.49</u>	<u>18,652.27</u>
Movement in working capital :		
Increase / (decrease) in trade payables	(26,818.83)	2,069.90
Increase / (decrease) in provisions	229.72	(404.95)
Increase in other current liabilities	4,413.34	568.37
(Increase) in trade receivables	(1,091.67)	(2,01,728.55)
Decrease in Inventories	14,051.77	17,551.11
Decrease in loans and advances	3,076.19	1,888.62
Decrease in other current assets	5,603.43	11,323.62
	<u>(536.05)</u>	<u>(1,68,731.88)</u>
Cash generated from/(used in) Operations	<u>11,611.44</u>	<u>(1,50,079.61)</u>
Direct taxes paid (net of refunds)	(1,941.67)	(3,953.08)
Net Cash flow (used in) from /Operating Activities (A)	<u>9,669.77</u>	<u>(1,54,032.69)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(8,022.59)	(2,409.63)
Proceeds from sale of fixed assets	153.91	7.03
Purchase of non-current investments	(4,945.11)	(23,204.87)
Purchase of current investments	(3,14,611.18)	(2,51,588.48)
Proceeds from sale/ maturity of current investments	3,14,611.18	2,51,588.48
Redemption / maturity of bank deposits (having original maturity of more than three months)	-	180.00
Interest received	1,250.51	1,477.89
Dividend received	1,001.18	916.98
Loans/ICD given to bodies corporate	(3,877.25)	(2,250.00)
Loans/ICD given to bodies corporate received back	4,460.00	19,082.00
Net cash flow (used in) investing activities (B)	<u>(9,979.35)</u>	<u>(6,200.60)</u>

ZUARI AGRO CHEMICALS LIMITED (Formerly known as Zuari Holdings Limited)
Cash flow statement for the year ended 31st March, 2013

₹ In Lacs

PARTICULARS	Year ended 31st March,2013	Year ended 31st March,2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share Capital	–	1,061.74
Proceeds from short term borrowings	1,49,595.30	–
Repayment of short term borrowings	–	(5,621.77)
Proceeds from Buyer's Credit	3,14,469.15	2,88,491.01
Repayment of Buyer's Credit	(4,69,126.01)	(89,511.12)
Dividend paid on equity shares	(1,257.02)	–
Tax on equity dividend paid	(204.68)	–
Interest paid	(10,750.95)	(2,424.80)
Net cash flow from / (used in) in financing activities (C)	(17,274.21)	1,91,995.06
Net (decrease) / increase In cash and cash equivalents (A + B + C)	(17,583.79)	31,761.77
Cash and cash equivalents (Opening)	33,259.01	17.33
Less : Transfer of demerged fertilizer business From Zuari Global Limited	–	1479.91
Cash and cash equivalents (Closing)	15,675.22	33,259.01

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

₹ In Lacs

Cash and cash equivalents	As at 31st March,2013	As at 31st March,2012
Cash on hand	0.57	1.06
Cheques/drafts on hand with banks		
– on current accounts	106.57	23,229.42
– on cash credit accounts	15,563.36	10,028.53
– on unpaid dividend accounts*	4.72	–
Total cash and cash equivalents	15,675.22	33,259.01

Notes :

- Pursuant to the scheme of arrangement and demerger, all the assets and liabilities pertaining to fertilizer undertaking as on 1st July, 2011 have been transferred to Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited) at the book value, the said demerger is considered as cash neutral for the purpose of cash flow.
- *These balances are not available for use as they represent corresponding unpaid dividend and interest warrant liabilities.

As per our report of even date

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

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

S. K. Poddar
Chairman

N. Suresh Krishnan
Managing Director

Marco Wadia
Director

Per Anil Gupta
Partner
Membership No. : 87921

V. Seshadri
Vice President Finance

R. Y. Patil
Chief General Manager &
Company Secretary

Place : Gurgaon
Date : 9th May, 2013

Place : Gurgaon
Date : 9th May, 2013

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

1. Corporate Information

This Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956. It was incorporated on 10th September 2009.

The Company is a manufacturer of chemical fertilizers. The Company is also into trading business of complex fertilizers, water soluble fertilizers and seeds. The Company caters to the demand of the farmers all over the country, through its "Jaikisaan" brand of Fertilizers.

Pursuant to application for change of name of Company as per the approval of the shareholders at the Extraordinary General Meeting of the Company, held on 10th September 2012, the name of the Company has been changed from Zuari Holdings Limited to Zuari Agro Chemicals Limited vide fresh certificate of incorporation dated 28th September 2012 issued by the Registrar of Companies, Goa Daman and Diu.

2. Basis for preparation

The financial statements of the Company have been prepared to comply 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 Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

2.1 Summary of Significant Accounting Policies

i) Basis of classification of Current and Non Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Revised Schedule VI notified under the Companies Act 1956.

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

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

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

ii) Use of Estimates

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

iii) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment losses, if any. The 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 year during which such expenses are incurred.

Gains or losses arising from derecognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

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

iv) Depreciation

- (a) Depreciation on tangible fixed assets (other than specific asset referred under para b and c below) is provided using the Straight Line Method as per the useful lives of the assets as estimated by the management, which are equal to the rates prescribed under Schedule XIV of the Companies Act, 1956. For this purpose, a major portion of the plant has been considered as continuous process plant.
- (b) Computers and peripherals are depreciated/amortized over the useful lives of three years.
- (c) Insurance/Machinery spares are depreciated prospectively over the estimated remaining useful lives of the respective mother assets.
- (d) Fixed assets whose value is less than ₹ 5,000/- are depreciated fully in the year of purchase.

v) Intangible Assets

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 of Tangible and Intangible Assets

The carrying amounts of Tangible and Intangible fixed 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) Inventories

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

The Cost is determined as follows:

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

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

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

viii) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried 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.

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,

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

1952. Family Pension Funds is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contribution to the funds is due. The Company has no obligation, other than the contribution payable to the fund. The Company recognizes contribution payable to the fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

b) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and actuarial gains and losses for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

c) Leave Encashment

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

The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

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

d) Superannuation and Contributory Pension Fund

The Company has approved Superannuation Fund and Contributory Pension Fund which are defined contribution schemes and the contributions paid to Life Insurance Corporation of India (LIC) against the insurance policy taken with them are charged to the Statement of Profit and Loss each year. The Company does not have any other obligation other than contributions paid to LIC. The Company recognizes contribution payable to the fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

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

x) Foreign currency transactions

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 retranslated using the exchange rate prevailing at the reporting date. 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 '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 except in case of long term foreign currency monetary items for

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

acquisition of a depreciable capital asset, which are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

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

xi) **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

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

Concessions in respect of Urea as notified under the New Pricing Scheme is recognized with adjustments for escalation/de-escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

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

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

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

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

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

xii) **Borrowing costs**

Borrowing 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.

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.

xiv) **Income Taxes**

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

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be 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.

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

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.

xv) Provisions

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

xvi) Earnings per Share

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

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

xvii) Derivative Instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

xviii) Cash and Cash equivalents

Cash and cash equivalents in the cash flow statement comprises cash at bank and in hand and short term investments with an original maturity periods of three months or less.

xix) Government grants and subsidies

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

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

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

xx) Contingent Liabilities

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

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

3. Share Capital

₹ In Lacs

Particulars	31st March 2013	31st March 2012
Authorised :		
4,20,58,006 (31st March 2012:: 4,20,58,006) Equity Shares of ₹ 10/- Each	4,205.80	4,205.80
	4,205.80	4,205.80
Issued		
4,20,58,006 (31st March 2012:: 1,26,17,402) Equity Shares of ₹ 10/- Each Fully paid	4,205.80	1,261.74
Subscribed and Paid-up		
4,20,58,006 (31st March 2012:: 1,26,17,402) Equity Shares of ₹ 10/- Each Fully paid	4,205.80	1,261.74
Total	4,205.80	1,261.74
Equity Share suspense account *	-	2,944.06
Total	4,205.80	4,205.80

* Equity Share suspense as on 31st March, 2012 represented 2,94,40,604 Equity Shares of ₹ 10/- each to be issued to the shareholders of Zuari Global Limited (Formerly known as Zuari Industries Limited) consequent to the Scheme of Arrangement and Demerger becoming Operational from effective date, pending allotment. The same has been allotted during the year ended 31st March 2013.

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

Equity Shares	31st March 2013		31st March 2012	
	in Numbers	₹ in lacs	in Numbers	₹ in lacs
At the beginning of the year	1,26,17,402	1,261.74	20,00,000	200.00
Issued during the year	2,94,40,604	2,944.06	1,06,17,402	1,061.74
Outstanding at the end of the year	4,20,58,006	4,205.80	1,26,17,402	1,261.74
Equity Share Suspense Account	-	-	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 ₹ 10.00/- per Share. Each share holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year 31st March 2013, the amount of per share dividend recognised for distribution to equity share holders was ₹ 3.00/- per share, subject to approval of shareholders (31st March 2012:: ₹ 3.00/-)

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 equity shares in the Company

Name of Shareholder	As at 31st March 2013		As at 31st March 2012 *	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Zuari Global Limited (Formerly known as Zuari Industries Limited)	84,11,601	20.00	84,11,601	66.67
SIL Investments Limited	32,08,000	7.63	-	-
Texmaco Infrastructure & Holdings Limited	28,17,941	6.70	-	-
Globalware Trading and Holdings Limited	70,12,000	16.67	-	-
Zuari Management Services Limited	42,05,801	10.00	42,05,801	33.33

* Without considering equity shares issued as per the Scheme of Arrangement and Demerger

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

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

d. Shares issued for consideration other than cash, during the period of five years immediately preceding the reporting date:

Equity Shares	31st March 2013		31st March 2012	
	in Numbers	₹ in lacs	in Numbers	₹ in lacs
Equity shares allotted as fully paid-up pursuant to the Scheme of Arrangement and Demerger for consideration other than cash	2,94,40,604	2,944.06	-	-

4. Reserves and Surplus

₹ in lacs

Particulars	31st March 2013	31st March 2012
Business Restructuring Reserve *		
Balance as per last financial statements	65,404.84	-
Add: [arising on 1st July,2011, being the difference of assets over liabilities on the transfer / vesting of the "Fertilizer Undertaking" as per the Scheme of Arrangement and Demerger in terms of Order of Hon'ble High Court of Bombay at Goa] [Refer Note. 31]	-	65,404.84
Closing Balance	65,404.84	65,404.84
General Reserve		
Balance as per last financial statements	5,000.00	-
Add: Amount transferred from surplus balance in the statement of profit and loss	500.00	5,000.00
Closing Balance	5,500.00	5,000.00
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	3,848.32	(2.97)
Net profit for the year	2444.63	10317.71
Less : Appropriations		
Proposed final equity dividends:: ₹ 3/- per equity share (31st March 2012:: ₹ 3/- Per Equity Share)	1,261.74	1,261.74
Tax on proposed equity dividend	214.43	204.68
Transfer to general reserve	500.00	5,000.00
Total appropriations	1,976.17	6,466.42
Net surplus in the statement of profit and loss	4,316.78	3,848.32
Total reserves and surplus	75,221.62	74,253.16

* The said reserve be treated as free reserve and be restricted and not utilized for declaration of dividend by the Company.

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

5. Deferred tax liabilities (Net)

₹ in lacs

Particulars	31st March 2013	31st March 2012
Deferred tax liabilities		
Fixed assets Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	2,793.48	2,875.10
Gross deferred tax liabilities	2,793.48	2,875.10
Deferred tax assets		
Provision for doubtful debts	16.08	15.35
Expenses allowable in Income tax on payment basis and deposition of Statutory dues	1,609.22	1,365.33
Gross deferred tax assets	1,625.30	1,380.68
Net deferred tax liabilities	1,168.18	1,494.42

6. Trade Payables and Other Liabilities

₹ in lacs

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Trade payables (Including acceptance) (refer note.42 for details of dues to Micro and Small Enterprises)	–	–	47,532.79	74,620.53
	–	–	47,532.79	74,620.53
Other Liabilities				
Trade deposits – dealers	5,411.03	4,781.15	–	–
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	–	–	4.72	–
Interest accrued but not due on loans and deposits	–	–	385.36	1,624.24
Forward cover payable	–	–	2,566.67	–
Advances from dealers and others	–	–	2,584.89	390.87
Payables towards capital goods	–	–	703.05	261.39
Employee benefit payable	–	–	6.21	2.05
Statutory and other obligations	–	–	2,389.77	3,371.16
	5,411.03	4,781.15	8,640.67	5,649.71
Total	5,411.03	4,781.15	56,173.46	80,270.24

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

7. Provisions

₹ in lacs

Particulars	Long-term		Short-term	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Provision for employee benefits				
Gratuity (funded) [Refer note no.41 (A)]	–	–	275.28	81.92
Provident fund [Refer note no. 41 (B)]	–	–	–	54.38
Leave encashment (unfunded)	–	–	2,896.24	2,784.54
	–	–	3,171.52	2,920.84
Others provisions				
Provision for current tax (net of advance tax)	–	–	–	784.43
Provision for wealth tax	–	–	29.04	50.00
Provision for proposed equity dividend	–	–	1,261.74	1,261.74
Provision for tax on proposed equity dividend	–	–	214.43	204.68
	–	–	1,505.21	2,300.85
Total	–	–	4,676.73	5,221.69

8. Short term borrowings

₹ in lacs

Particulars		31st March 2013	31st March 2012
From Banks			
Secured			
a.	Buyers credit # (The rate of Interest on buyers credit varies between 1.00% – 4.00% and are repayable over a period of 150 – 360 days)	1,09,285.71	2,64,001.77
b.	Term loan # Working capital demand loans (The rate of Interest on loans varies between 10.05% – 11.50% and are repayable over a period of 2 to 180 days)	1,17,500.00	–
c.	Short term loan from SBI (10.25% (including 8.00% paid directly by Government of India to the bank) secured against subsidy receivable of equal amount from GOI, Ministry of Chemicals and Fertilizer under Special Banking Arrangement.)	20,595.31	–
		2,47,381.02	2,64,001.77
Unsecured			
a.	Term loan Working capital demand loans (The rate of Interest on loans varies between 10.25% – 11.50% and are repayable over a period of 2 to 180 days)	44,000.00	32,500.00
		44,000.00	32,500.00
	Total	2,91,381.02	2,96,501.77

The buyers credit and working capital demand loans are secured by the first charge by way of hypothecation on the current assets, both present and future, wherever situated pertaining to the Company and the Company's present and future book debts outstanding, moneys receivable, claims, bills, contracts, engagements, rights and assets.

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

9. Tangible assets

(₹ in lacs)

Particulars	Freehold Land	Buildings	Railway Siding	Plant & machinery	Furniture & fixtures	Office equipment	Vehicles	Total
Cost								
As at 01.04.2011	–	–	–	–	–	–	–	–
Additions	141.48	313.21	–	451.97	63.48	55.99	100.86	1,126.99
Disposals	–	3.78	–	445.12	3.48	7.26	41.16	500.80
Addition: Due to De–Merger Scheme (Refer note 31)	93.52	2,070.51	1,500.59	41,149.33	516.04	1,355.07	641.78	47,326.84
As at 31.03.2012	235.00	2,379.94	1,500.59	41,156.18	576.04	1,403.80	701.48	47,953.03
As at 01.04.2012	235.00	2,379.94	1,500.59	41,156.18	576.04	1,403.80	701.48	47,953.03
Additions **	–	84.12	–	2,067.45	97.76	76.99	83.56	2,409.88
Disposals	141.48	3.30	–	3,048.09	16.81	93.96	45.69	3,349.33
Adjustments*	–	–	–	15.51	–	–	–	15.51
As at 31.03.2013	93.52	2,460.76	1,500.59	40,160.03	656.99	1,386.83	739.35	46,998.07
Depreciation								
As at 01.04.2011	–	–	–	–	–	–	–	–
Charge for the year	–	41.03	53.80	1,381.70	47.62	89.38	49.01	1,662.54
Disposals	–	1.86	–	341.00	2.24	2.42	24.25	371.77
Addition: Due to De–Merger Scheme (Refer note 31)	–	1,081.38	919.86	24,387.48	283.43	880.37	143.39	27,695.91
As at 31.03.2012	–	1,120.55	973.66	25,428.18	328.81	967.33	168.15	28,986.68
As at 01.04.2012	–	1,120.55	973.66	25,428.18	328.81	967.33	168.15	28,986.68
Charge for the year	–	62.01	71.72	1,981.47	28.22	93.06	70.08	2,306.56
Deductions	–	2.31	–	2,990.25	13.67	87.97	18.26	3,112.46
As at 31.03.2013	–	1,180.25	1,045.38	24,419.40	343.36	972.42	219.97	28,180.78
Net block								
As at 31.03.2013	93.52	1,280.51	455.21	15,740.63	313.63	414.41	519.38	18,817.29
As at 31.03.2012	235.00	1,259.39	526.93	15,728.00	247.23	436.47	533.33	18,966.35

* Capital subsidy of ₹ 15.51 Lacs has been received during the year ended 31st March 2013 from Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India (Refer note no: 44).

** Addition to Plant and Machinery includes addition of ₹ 433.91 lacs on account of cost of insurance spares not capitalised in the earlier years. The said amount has been capitalised during the year. Depreciation charged for the year includes ₹ 431.07 lacs for earlier years.

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

9 (a). Intangible assets

(₹ in lacs)

Particulars	Software	Total
Gross block		
As at 01.04.2011	–	–
Additions	–	–
Disposals	–	–
Addition: Due to De–Merger Scheme (Refer note 31)	785.91	785.91
As at 31.03.2012	785.91	785.91
As at 01.04.2012	785.91	785.91
Purchase	–	–
Deductions	–	–
As at 31.03.2013	785.91	785.91
Amortization		
As at 01.04.2011	–	–
Charge for the year	139.12	139.12
Disposals	–	–
Addition: Due to De–Merger Scheme (Refer note 31)	573.02	573.02
As at 31.03.2012	712.14	712.14
As at 01.04.2012	712.14	712.14
Charge for the year	72.87	72.87
Deductions	–	–
As at 31.03.2013	785.01	785.01
Net block	–	–
As at 31.03.2013	0.90	0.90
As at 31.03.2012	73.77	73.77

10. Investments

₹ in lacs

Particulars	31st March 2013	31st March 2012
Non–Current Investments		
Trade Investments (valued at cost, unless stated otherwise)		
Unquoted Investment in subsidiaries		
1,41,74,162 (31st March 2012:: 1,41,74,162) Equity Shares of ₹ 10/– each fully paid–up of Zuari Seeds Limited	1,417.60	1,417.60
50,000 (31st March 2012:: 50,000) Equity Shares of ₹ 10/– each fully paid–up of Zuari Fertilisers and Chemicals Limited	5.00	5.00
Investment in Joint Ventures		
17,98,16,228 (31st March 2012:: 17,98,16,228) Equity shares of ₹ 10/– each fully paid–up of Zuari Maroc Phosphates Limited	17,981.62	17,981.62

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

₹ in lacs

Particulars	31st March 2013	31st March 2012
34,57,501 (31st March 2012:: 34,57,501) Equity shares of ₹ 10/- each fully paid-up of Zuari Rotem Speciality Fertilisers Limited	345.75	345.75
Total	19,749.97	19,749.97
Aggregate Amount of unquoted Investments	19,749.97	19,749.97
Total	19,749.97	19,749.97

- (a) The Company has invested a sum of ₹1,417.60 lacs in the equity shares Zuari Seeds Limited. Further, the Company has receivables of ₹ 1334.94 lacs (previous year ₹1,711.79 lacs) by way of loans and trade advances. The Company has promised to provide continuous financial support. As per the latest audited financial statements of this subsidiary, accumulated losses of this subsidiary has resulted in erosion of its entire net worth. However, the said subsidiary Company has not incurred cash loss during the year ended 31st March 2013 and immediately preceding two financial years. The above investment being in the nature of long term strategic investment and also in view of the projected profitable operations of the above company, management is of the view that the provision for diminution in the value of these investments is not required to be made there against.
- (b) The Company has invested in the equity shares of Zuari Rotem Speciality Fertilisers Limited. The lock-in period of the equity share is five years. The Company cannot sell, transfer or in any other way dispose off its shares or interest during the lock-in period without the prior written consent of the joint venturer. After the lock-in period the Company may transfer its shares only after the other joint venturer has been granted the right of first refusal.

11. Loans and Advances

₹ in lacs

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Capital advances				
Unsecured, considered good	1,098.95	1,156.20	–	–
	1,098.95	1,156.20	–	–
Security deposits				
Unsecured, considered good	100.47	72.06	135.62	365.24
	100.47	72.06	135.62	365.24
Loans and advances to related parties (Refer note no.38)				
Unsecured, considered good	10,022.25	7,904.89	4,515.45	4,195.49
	10,022.25	7,904.89	4,515.45	4,195.49
Advances recoverable in Cash or Kind				
Unsecured, considered good	–	–	835.19	1,747.49
	–	–	835.19	1,747.49
Other Loans and Advances Secured, considered good				
Loans to employees (secured)	99.66	142.19	35.73	46.23
Unsecured, considered good				
Loans to employees	226.78	257.51	57.74	67.03
Prepaid expenses	–	–	178.01	148.01

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

₹ in lacs

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Advance income tax (net of provision for income tax)	-	-	227.40	-
VAT credit receivable	-	-	98.83	72.82
Balances with customs, port trust and excise authorities	-	-	-	0.60
	326.44	399.70	597.71	334.69
Total	11,548.11	9,532.85	6,083.97	6,642.91
Loans to employees include				
Due from officer of the Company	-	-	-	-
Due from Managing Director of the Company	22.80	-	4.80	-

12. Other Assets

₹ in lacs

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Interest accrued on loans, advances and deposits	-	-	57.15	31.40
Interest receivable from subsidiaries on loans (Refer Note No.38)	-	-	149.63	136.61
Interest receivable from customers	-	-	414.90	147.92
Interest accrued on loans to employees	119.03	130.55	20.96	19.78
Claim receivable	-	-	654.78	3,467.97
Accrued service income		-		-
– From related parties (Refer Note No. 38)	728.09	-	182.02	-
– Others	-	-	105.61	-
Forward cover receivable	-	-	-	1,327.77
Unamortised Premium on forward contracts*	-	-	787.27	3,923.57
Other receivable	-	-	658.11	-
	847.12	130.55	3,030.43	9,055.02
Non current bank balances (Refer note no.15)	0.85	0.85	-	-
	0.85	0.85	-	-
Total	847.97	131.40	3,030.43	9,055.02

* 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

Interest accrued on employee's loan include amount due from officer of the Company ₹ 9.51 lacs (including ₹ 5.77 lacs from the Managing Director of the Company (31st March 2012 : ₹ Nil), (31st March 2012 : ₹ Nil).

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

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

₹ in lacs

Particulars	₹ in lacs	
	31st March 2013	31st March 2012
Raw materials [includes material in transit ₹ Nil and includes material lying with others ₹ 4,939.30 Lacs] [(31st March 2012 :: includes in transit ₹ 4,167.81 lacs and lying with others ₹ 83.86 lacs)]	22,454.73	27,308.59
Packing materials [includes material lying with others ₹ 66.20 lacs (31st March 2012:: ₹ 49.42 lacs)	440.14	479.48
Work-in-progress	2,219.30	1,355.70
Finished goods (includes material lying with others ₹ 363.18 lacs (31st March 2012 ₹ 222.81 lacs)	14,773.31	10,853.06
Traded goods (includes material in transit ₹ 15.80 lacs) and includes material lying with others ₹ 275.92 lacs (31st March 2012 :: includes material in transit ₹ Nil and includes material lying with Others ₹ 714.01 lacs)	11,161.94	22,350.99
Fuel Oil	2,497.61	4,937.87
Stores and spares	4,566.09	4,879.20
Total	58,113.12	72,164.89

14. Trade receivables

₹ in lacs

Particulars	Current	
	31st March 2013	31st March 2012
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	1,082.37	1.02
Unsecured, considered good (including subsidy receivable ₹ 30,718.05 lacs) (31st March 2012:: including subsidy receivable ₹ 10,551.53 lacs)	34,257.11	10,556.02
Unsecured, considered doubtful	47.31	47.31
	35,386.79	10,604.35
Less: Provision for doubtful debts	47.31	47.31
(A)	35,339.48	10,557.04
Other receivables		
Secured, considered good	3,458.78	4,209.82
Unsecured, considered good (including subsidy receivable ₹ 1,73,414.90 lacs) (31st March 2012:: including subsidy receivable ₹ 2,01,488.91 lacs)	2,57,491.45	2,80,431.18
(B)	2,60,950.23	2,84,641.00
Total	2,96,289.71	2,95,198.04

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

15. Cash and bank balances

₹ in lacs

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Cash and cash equivalents				
a. Balances with banks				
– On Current accounts	–	–	106.57	23,229.42
– On Cash credit accounts	–	–	15,563.36	10,028.53
– On Unpaid dividend accounts	–	–	4.72	–
b. Cash on hand	–	–	0.57	1.06
	–	–	15,675.22	33,259.01
Other bank balances				
Deposits with original maturity for more than 12 months (pledged with sales tax authorities ₹ 0.85 lac 31st March 2012 :: ₹ 0.85 lacs)	0.85	0.85	–	–
	0.85	0.85	–	–
Amount disclosed under non current assets	(0.85)	(0.85)	–	–
	–	–	15,675.22	33,259.01

16. Revenue from operations

₹ in lacs

Particulars	31st March 2013	31st March 2012
Revenue from operations		
Sale of products		
Finished products	2,64,575.51	2,47,503.71
Traded products	2,59,876.80	3,71,206.55
Other operating revenues		
Scrap sales	70.18	135.97
Revenue from operations (gross)	5,24,522.49	6,18,846.23
Less : Excise duty	781.79	758.50
Revenue from operations (net)	5,23,740.70	6,18,087.73
Details of products sold		
Finished Products sold:		
Urea	1,53,917.95	1,13,765.97
Complex fertilisers of the grades:		
18:46:0	24,171.51	32,361.73
10:26:26	66,271.74	59,795.20
12:32:16	11,875.72	34,256.78

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

₹ in lacs

Particulars	31st March 2013	31st March 2012
19:19:19	4,847.17	4,251.67
CO2	297.31	186.14
SSP	3,194.11	2,886.22
	2,64,575.51	2,47,503.71
Traded Products sold:		
MOP	51,140.15	53,923.97
DAP	1,61,637.69	2,08,495.84
SSP	1,118.48	888.31
SOP	293.43	559.39
Complex Fertilisers	35,446.39	98,954.08
Sale of Phos Acid	1,498.56	1,984.53
Seeds	534.47	730.21
Speciality Fertilisers	8,207.63	5,670.22
	2,59,876.80	3,71,206.55

- Sales of Finished Product and Traded Product include government subsidies. Subsidies include ₹ 5921.74 lacs (31st March 2012 :: ₹ 809.10 lacs) in respect of earlier years, notified during the year.
- Stage III of the New Pricing Scheme (NPS) for Urea was in operation from 1st October, 2006 to 31st March , 2010. As per this scheme, all naphtha based units (including the company) were required to take steps for conversion to natural gas / liquefied natural gas by 31st March 2010. As per requirements of Stage III of NPS, Naphtha/Furnace Oil to Gas conversion at the plant at Goa was completed during Annual Turnaround in April 2011. However, the Gas was made available to the plant in the month of February 2013. Government of India vide notification dated 17th March , 2010 has extended till further orders the provisions of Stage III of NPS.
- Subsidy for Urea has been accounted based on Stage III parameters of the New Pricing Scheme and other adjustments as estimated in accordance with known policy parameters in this regard.
- Excise duty on sales amounting to ₹ 781.79 lacs (31 March 2012 : ₹ 758.50 lacs) has been reduced from sales in statement of profit and loss and excise duty on increase / decrease in stock amounting to ₹ 1.25 lacs (31 March 2012 : ₹ 1.22 lacs) has been considered as other expense in financial statements.

17. Other income

₹ in lacs

Particulars	31st March 2013	31st March 2012
Interest Income on		
Bank deposits	51.31	535.73
Intercorporate loans	412.67	151.79
Government of India Fertiliser Bonds	–	110.71
Overdue debtors, employee loans etc.	1,081.95	567.55
Dividend Income on		
Current investments	1,001.18	916.98
Rent received	7.63	5.53

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

₹ in lacs

Particulars	31st March 2013	31st March 2012
Service Income – staff deployment and other supports	2,291.81	–
Excess provision/unclaimed liabilities/unclaimed balances written back	229.60	16.93
Reimbursement of loss on sale of Fertiliser Companies Government of India Special bonds	–	2,888.18
Foreign exchange variation (net)	536.32	–
Other non–operating income	176.21	418.21
Total	5,788.68	5,611.61

18. Cost of raw materials consumed:

₹ in lacs

Particulars	31st March 2013	31st March 2012
Opening Stocks	27,308.59	–
Add : Inventory transferred on Demerger from Zuari Global Limited (formerly known as Zuari Industries Limited)	–	28,999.68
Add : Purchases	1,91,440.56	1,85,147.15
Add: Transfer of Stock for captive consumption	–	3,142.79
Less: Inventory at the end of the year	22,454.72	27,308.59
Cost of raw materials consumed	1,96,294.43	1,89,981.03
Details of raw materials consumed		
Natural Gas	5,410.79	–
Naphtha	1,10,428.29	73,462.68
Phosphoric acid	40,626.82	67,051.18
Muriate of potash	23,422.83	28,322.07
Ammonia	12,973.32	17,257.36
Purchased urea	598.15	1,376.26
Rock phosphate	2,077.92	1,358.39
Other raw materials	756.31	1,153.09
Total	1,96,294.43	1,89,981.03
Details of inventory: Raw materials		
Naphtha	9,900.33	17,481.34
Phosphoric acid	11,236.45	7,140.30
Muriate of potash	682.11	892.71
Ammonia	235.17	1,234.39
Purchased urea	123.89	300.19
Rock phosphate	78.43	44.59
Other raw materials	198.35	215.07
Total	22,454.73	27,308.59

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

19. Details of purchase of traded products:

₹ in lacs

Particulars	31st March 2013	31st March 2012
Traded products purchase details		
Traded fertilisers:		
DAP	1,45,687.77	1,58,334.58
MOP	40,623.12	52,017.65
SSP	1,083.22	906.41
SOP	–	867.91
Complex Fertilisers	19,822.44	94,335.14
Speciality Fertilisers	5,905.75	5,620.29
Seeds	1,936.54	410.04
Phosphoric Acid	1,455.08	1,859.58
Total	2,16,513.92	3,14,351.60

20. (Increase) / Decrease in inventories

₹ in lacs

Particulars	31st March 2013	31st March 2012	(Increase)/decrease
Inventories at the end of the year			
Finished goods	14,773.31	10,853.05	(3,920.26)
Traded goods	11,161.94	22,350.99	11,189.05
Work-in-progress	2,219.30	1,355.70	(863.60)
	28,154.55	34,559.74	6,405.19
Opening Stocks [31st March 2012: Inventory transferred from Zuari Global Limited (formerly known as Zuari Industries Limited)]			
Finished goods	10,853.05	6,288.16	(4,564.89)
Traded goods	22,350.99	43,830.91	21,479.92
Work-in-progress	1,355.70	2,104.03	748.33
Less : Captive consumption	–	(3,142.79)	(3,142.79)
	34,559.74	49,080.31	14,520.57
Total	6,405.19	14,520.57	

Details of Inventory

₹ in lacs

Particulars	31st March 2013	31st March 2012
Traded Goods		
DAP	3,977.77	1,086.45
MOP	1,805.79	5,669.39
SSP	4.40	23.08
SOP	–	330.37

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

₹ in lacs

Particulars	31st March 2013	31st March 2012
Complex Fertilisers	471.29	10,686.44
Speciality Fertilisers	2,917.44	4,014.25
Seeds	1,985.25	541.01
	11,161.94	22,350.99
Finished Goods		
Urea	13,791.49	1,671.77
18:46:00	80.88	2,321.18
10:26:26	184.76	4,280.11
12:32:16	70.68	455.90
19:19:19	-	1,893.04
Others	645.50	231.06
	14,773.31	10,853.06
Work in Progress		
Ammonia	1,184.56	11.88
Sweet Naphtha	1,034.74	1,343.82
	2,219.30	1,355.70

21. Employee benefit expense

₹ in lacs

Particulars	31st March 2013	31st March 2012
Salaries, wages and bonus	5,193.92	3,845.85
Contribution to provident and other funds	651.23	531.64
Gratuity (Refer note no: 41 A)	290.55	81.93
Staff welfare expenses	1,402.11	1,020.75
Total	7,537.81	5,480.17

22. Other expenses

₹ in lacs

Particulars	31st March 2013	31st March 2012
Consumption of packing materials	2,370.14	2,264.20
Stores and spares consumed	1,179.41	289.21
Power, fuel and water	34,856.67	23,476.04
Bagging and other contracting charges	2,058.26	2,761.59
Outward freight and handling	21,413.25	24,986.75
Rent	2,591.65	762.95
Lease rentals	310.12	96.77

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

₹ in lacs

Particulars	31st March 2013	31st March 2012
Rates and taxes	101.44	101.85
Insurance	514.74	268.73
Repairs and maintenance		
Buildings	227.84	118.30
Plant & machinery	3,152.05	2,850.21
Others	470.38	507.78
Payment to statutory auditors (Refer details below)	69.47	31.69
Cash rebate	488.19	17.56
Excise duty on Increase/(Decrease) on inventory	1.25	1.22
Subsidy claims written off	23.77	44.78
Sundry balances written off	–	10.87
Loss on fixed assets sold/discarded (net)	82.95	122.00
Premium on forward exchange contract amortized	2,602.94	3,679.36
Foreign exchange variation (net)	–	5,719.77
Miscellaneous expenses	3,803.23	2,828.29
Total	76,317.75	70,939.92
Payments to statutory auditors		
As statutory auditors		
Audit fees	19.66	15.34
Tax audit fee	4.49	4.49
Limited review fees	5.62	–
In other capacity		
Certification fees, etc.	35.67	7.87
Reimbursement of expenses	4.03	3.99
Total	69.47	31.69

23. Depreciation and amortisation expense

₹ in lacs

Particulars	31st March 2013	31st March 2012
Depreciation of tangible assets	2,306.56	1,662.54
Amortization of intangible assets	72.88	139.12
Total	2,379.44	1,801.66

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

24. Finance costs

₹ in lacs

Particulars	31st March 2013	31st March 2012
Interest expense [including interest on income tax reversal ₹ 11.58 lacs (31st March 2012:: ₹147.02 lacs)]	9,512.07	3,910.94
Premium on foreign exchange forward cover	11,088.70	6,085.23
Bank charges	431.85	1,602.63
Total	21,032.62	11,598.80

25. Contingent liabilities not provided for:

₹ in lacs

Particulars		Year Ended 31.03.2013	Year Ended 31.03.2012
A.	Demand Notices received from Sales tax authorities*		
i)	Demand notice from Karnataka Sales Tax Authorities (VAT) for levying penalty on Professional tax for the years 2005–06 to 2008–09. The Company had filed appeal before Joint Commissioner of Commercial Taxes (Appeals), Bangalore, against the same. Based on the revised demand notice penalty proceedings for the period was disposed off with the penalty of ₹ 44.82 lacs, which has been paid and charged off by the Company	–	42.56
ii)	Demand notice from Commercial Tax Department, towards non submission of “F Form” for the year 2007–08. The Company has filed for stay in High Court of Andhra Pradesh. Based on the revised proceedings, a revised demand notice for ₹ 0.33 lac was issued. The same was paid and charged off by the Company.	–	15.96
iii)	Demand notice from Commercial Tax Department, Jaipur towards non submission of “F Form” for the year 2010–11.	27.46	–
B.	Claim against the Company not acknowledged as debt.*	151.17	–

* Based on discussions with the solicitors/ favorable decisions in similar cases/ legal opinions taken by the Company, the management does not expect these claims to succeed and hence, no provision there against is considered necessary.

- C. Aggregate amount of guarantees issued by the Banks to various government authorities and others are secured by a charge created by way of hypothecation on the current assets, both present and future, wherever situated pertaining to the Company and the Company's present and future book debts outstanding, moneys receivable, claims, bills, contracts, engagements, rights and assets ₹6,256.96 lacs (Previous year ₹ 12,477.71 lacs).

26. A) Estimated amount of contracts remaining to be executed not provided for

₹ in lacs

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Estimated amount of contracts remaining to be executed on capital account not provided for	2,892.67	5,264.04

- B) The Company has entered into an agreement for purchase of equity shares of MCA Phosphates Pte. Ltd. (MCA) from Zuari Global Limited (ZGL), at a price to be determined, which will not be less than the book value of these shares. However, the sale of these shares is subject to approval of other joint venture partner in MCA. The Company has paid ₹ 8400 lacs to ZGL as advance against purchase of these shares, which is included in Advances to Related Parties in Note 11.

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

27. Value of imports on CIF basis are in respect of

₹ in lacs

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Raw Materials	79,782.64	94,431.38
Spare Parts	267.99	555.17
Capital goods	873.50	17.23
Traded goods	1,87,161.78	2,80,671.34

28. (a) Imported and indigenous raw materials consumption

₹ in lacs

Particulars	%	Year Ended 31.03.2013	%	Year Ended 31.03.2012
Indigenously obtained	3.89%	7,631.16	3.31%	6,287.06
Imported	96.11%	1,88,663.27	96.69%	1,83,693.97
Total	100.00%	1,96,294.43	100.00%	1,89,981.03

(b) The Company has taken a view that "Stores and Spares" cover only such items as go directly into production, hence disclosure for indigenous and imported stores consumption is not disclosed.

29. Expenditure in foreign currency (Accrual Basis):

₹ in lacs

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Basic engineering design and technical fee	1326.02	–
Travelling expenses	111.54	36.80
Professional fees	–	39.95
Interest expense	3,738.98	2,587.99

30. Remittances in foreign currency in respect of dividend :

₹ in lacs

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Period to which it relates	1st April 2011 to 31st March 2012	1st April 2010 to 31st March 2011
Number of non-resident shareholders	2	–
Number of equity shares held on which dividend was due	7,491,750	–
Amount remitted (in USD)	405178.48	–
Amount remitted (₹ in Lacs)	224.75	–

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 2013 Cont...

31. Demerger

- a. During the previous year, pursuant to the Scheme of Arrangement and Demerger (“The Scheme”) between Zuari Industries Ltd. (now known as Zuari Global Ltd.) and Zuari Holdings Ltd. (now known as Zuari Agro Chemicals Ltd.) approved by the Hon’ble High Court of Bombay at Goa, on 2nd March, 2012, all the Assets, Liabilities pertaining to Fertiliser Undertaking as on 1st July, 2011 of Zuari Industries Limited had been transferred to the Company at their book values and accordingly the surplus of Assets over the Liabilities of the Fertiliser undertaking so Demerged, resulted in creation of Business Restructuring Reserve of ₹ 65,404.84 lacs in terms of the Order of the Hon’ble High Court of Bombay at Goa. The said reserve be treated as free reserve and be restricted and not utilized for declaration of dividend by the Company. The said order had been filed with the Registrar of Companies on 21st March, 2012.
- b. The summary of the assets and liabilities transferred from Zuari Industries Limited (now known as Zuari Global Limited) as on 1st July, 2011 is as below:

(₹ In lacs)

Particulars	Amount
Fixed Assets (Net)	21,410.02
Current Assets , Loans and advances	2,35,545.04
	2,56,955.07
Less: Current Liabilities and Provisions	83,938.44
Less: Loans and Borrowings (Secured and unsecured)	1,03,143.66
Less: Deferred Tax liabilities	1,524.06
	1,88,606.16
Net Transfer	68,348.90
Equity Share Suspense	2,944.06
Business Restructuring Reserve	65,404.84

- c. Pursuant to the Scheme, Zuari Holdings Limited (now known as Zuari Agro Chemicals Limited) issued 29,440,604 Equity Shares of ₹ 10/- each aggregating to ₹ 2,944.06 lacs to the existing shareholders of Zuari Industries Limited (now known as Zuari Global Limited), in the ratio of 1 fully paid up Equity Share of ₹ 10/- each of Zuari Holdings Limited (now known as Zuari Agro Chemicals Limited) for each share of ₹ 10/- each held in Zuari Industries Limited (now known as Zuari Global Limited).
- d. The results of the Company for the previous year ended 31st March, 2012 were after giving effect to the Scheme, whereby the Fertiliser Undertaking of Zuari Industries Limited (now known as Zuari Global Limited) had been Demerged into the Company with appointed date of 1st July, 2011.
- e. As per the Scheme, during the period between the Appointed date and the Effective date, Zuari Industries Limited (now known as Zuari Global Limited) had carried on the Fertiliser Undertaking in “trust” on behalf of the Company. Further all profit or incomes earned and losses and expenses incurred for Fertiliser Undertaking had for all purposes been deemed to be profits or income or expenditure or losses of the Company.
- f. The title deeds for immovable properties, licences, agreements, loan documents etc of the Company are in the process of being transferred in the name of Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited).

32. Particulars of Foreign Currency Exposures:

i) Forward Contracts outstanding as at the Balance Sheet Date:

Details of derivatives	31.03.2013	31.03.2012	Purpose
Buy (Amount in USD)	14,23,34,967.22	57,70,13,319	To hedge the purchases of raw materials and traded goods and buyers credit

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

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

Particulars		31.03.2013	31.03.2012
Accrued Interest	USD	6,73,761.02	1,504,680.00
	(₹ in lacs)	366.45	769.74
Trade Payables	USD	379,65,418.95	9,246,877
	(₹ in lacs)	20,649.13	4,730.38
	EURO	46,984.00	–
	(₹ in lacs)	32.67	–
Borrowing	USD	585,97,395.00	–
	(₹ in lacs)	31,870.71	–
Claims Receivable / (Payable)	USD	727,483.85	1,867,016
	(₹ in lacs)	395.67	955.10
	Exchange Rate	1 USD = 54.3893 INR 1 EURO = 69.5438 INR	1 USD = 51.1565 INR

33. Department of Fertilizer, Government of India (Government) issued an office memorandum dated 11th July, 2011 whereby subsidy rates applicable on closing stock of Finished Goods and Raw materials as on 31st March, 2011 were revised to subsidy rates applicable for Financial Year 2010–11 as per Nutrient Based Subsidy (NBS) Policy. The Company had adjusted its subsidy income for the previous year to give impact of mopping up adjustment. The Government had also recovered the applicable mopping up amount for finished goods in the previous year. During the current year, the Company has recognized subsidy income of ₹ 2,439.87 lacs on opening stock as on 1st April, 2011 of SSP and Raw Materials for Phosphatic and Potassic Fertilizers based on communication issued by Department of Fertilizers vide letter no. 23011/1/2010 – MRP (Pt) dated 22.8.2012 with respect to earlier office memorandum dated 11.07.2011 on mopping of subsidy increase under NBS policy.

34. Managerial Remuneration

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Salary	146.58	–
Contribution to Provident Fund and Superannuation Fund	17.46	–
Perquisites	14.04	–
Total	178.08	–

* As the liabilities of gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above .

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

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 2013	Maximum amount outstanding during the year
1	Loans and advances in the nature of loans to subsidiaries	Zuari Seeds Limited	1500.00 (Nil)	1500.00 (Nil)
		Zuari Fertilisers and Chemicals Limited	4667.25 (6750.00)	6750.00 (6750.00)
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	Zuari Fertilisers and Chemicals Limited	2667.25 (4750.00)	4750.00 (4750.00)
4	Loans and advances in the nature of loans to firms / companies in which directors are interested	-	Nil (Nil)	Nil (Nil)
5	Investments by the loanees in the shares of the Company or any of its subsidiaries	-	Nil (Nil)	Nil (Nil)

36. Information in respect of Joint Ventures:

(₹ in lacs)

S.No.	Particulars	Zuari Maroc Phosphates Limited (Consolidated)		Zuari Rotem Speciality Fertilisers Limited	
1	Proportion of ownership interest	50% (w.e.f. 27/06/2011)		50% (w.e.f. 31/05/2011)	
2	Country of incorporation	India		India	
3	Accounting period ended	31.03.2013	31.03.2012	31.03.2013	31.03.2012
4	Assets	2,45,513.38	169,970.21	2,327.41	1,404.42
5	Liabilities	1,70,240.73	99,875.99	1,775.67	895.74
6	Revenue	2,68,667.65	204,356.38	2,034.79	2,250.96
7	Depreciation & Amortization	1,302.51	935.96	40.20	32.12
8	Other expenses	2,60,778.83	191,224.51	1,921.26	2,115.46
9	Profit before tax	6,586.31	12,195.91	73.33	103.38
10	Contingent Liabilities	1,24,883.06	6,020.38	0.61	0.61
11	Capital Commitments	27,192.42	2,625.59	-	-

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

37. Segmental Information

• **Primary Segment**

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

• **Secondary Segment – Geographical Segment**

The Company operates in India and therefore caters to the needs of the domestic market. Therefore, there is only one geographical segment and hence, segment information is not required to be disclosed.

38. Related Party disclosures under Accounting Standard – 18

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

A. Related parties where control exists:

- I. Holding Company:–
Zuari Global Limited (Formerly known as Zuari Industries Limited) (upto 30th June, 2011)
- II. Subsidiaries of the Company:
 - (1) Zuari Seeds Limited (w. e. f. 31st May 2011)
 - (2) Zuari Fertilisers and Chemicals Limited (w.e. f. 31st May 2011)

B. Related parties with whom transactions have taken place during the year:

- I. Enterprises in respect of which Company is an associate:–
 - (1) Zuari Global Limited (formerly known as Zuari Industries Limited) (w.e.f. 01.07.2011)
 - (2) Indian Furniture Products Limited
 - (3) Simon India Limited
 - (4) Zuari Management Services Limited
 - (5) Adventz Infraworld India Limited
 - (6) Gulbarga Cement Limited
 - (7) Globex Limited
 - (8) Zuari Investments Limited
 - (9) Zuari Insurance Brokers Limited – Subsidiary of Zuari Investments Limited
 - (10) Zuari Commodity Trading Limited – Subsidiary of Zuari Investments Limited
 - (11) Zuari Financial Services Limited – Subsidiary of Zuari Investments Limited
 - (12) Style Spa Furniture Limited
- II. Joint Ventures of the Company:
 - (1) Zuari Maroc Phosphates Limited (w. e. f. 27th June 2011)
 - (2) Paradeep Phosphates Ltd – Subsidiary of Zuari Maroc Phosphates Limited
 - (3) Zuari Rotem Speciality Fertilisers Limited (w. e. f. 31st May 2011)
- III. Key Management Personnel
 - (1) Mr. N. Suresh Krishnan – Managing Director (w.e.f. April 1, 2012)
 - (2) Mr. Akshay Poddar – Executive Director (w.e.f. April 1, 2012)
- IV. Relatives of Key Management Personnel of the Company
 - (1) Mr. S. K. Poddar (father of Mr. Akshay Poddar)

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

C. Related Party Transaction As Per Accounting Standard 18 For Zuari Agro Chemicals Limited

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March'2013

₹ in Lacs

Sl. No.	Transaction details	2012-13						2011-12					
		Subsidiaries	Joint Ventures	Holding Company	Enterprises having Significant Influence	Associates	Key Management Personnel (KMP)	Subsidiaries	Joint Ventures	Holding Company	Enterprises having Significant Influence	Fellow Subsidiaries	Key Management Personnel (KMP)
1	Payment made on their behalf for various expenses												
	- Zuari Seeds Limited	0.01	-	-	-	-	-	0.66	-	-	-	-	-
	- Zuari Management Services Ltd	-	-	-	2.04	-	-	-	-	-	-	1.93	-
	- Zuari Maroc Phosphates Limited	-	0.07	-	-	-	-	-	1.87	-	-	-	-
	- Paradeep Phosphates Limited	-	57.88	-	-	-	-	-	38.87	-	-	-	-
	- Adventz Infraworld India Limited	-	-	-	72.41	-	-	-	-	-	-	3.62	-
	- Zuari Rotem Speciality Fertilisers Limited	-	1.76	-	-	-	-	-	80.89	-	-	-	-
	- Zuari Fertilisers and Chemicals Ltd	8.71	-	-	-	-	-	14.18	-	-	-	-	-
	- Zuari Indian Oiltanking Limited	-	-	-	38.86	-	-	-	-	-	51.01	-	-
	- Simon India Limited	-	-	-	2.24	-	-	-	-	-	-	-	-
	- Indian Furniture Products Ltd	-	-	-	0.15	-	-	-	-	-	-	-	-
2	Payment made on our behalf for various expenses												
	- Paradeep Phosphates Limited	-	7.54	-	-	-	-	-	23.12	-	-	-	-
	- Zuari Seeds Limited	-	-	-	-	-	-	20.24	-	-	-	-	-
	- Zuari Fertilisers and Chemicals Ltd	11.77	-	-	-	-	-	32.81	-	-	-	-	-
	- Zuari Global Limited*	-	-	-	-	-	-	-	-	-	39.42	-	-
	- Simon India Limited	-	-	-	0.69	-	-	-	-	-	-	-	-
	- Adventz Infraworld India Limited	-	-	-	0.02	-	-	-	-	-	-	-	-
	- Zuari Management Services Ltd	-	-	-	1.29	-	-	-	-	-	-	-	-
	- Style Spa Furniture Limited	-	-	-	0.37	-	-	-	-	-	-	-	-
3	Purchase of Investments												
	- Zuari Global Limited*	-	-	-	-	-	-	-	-	19,745.36	-	-	-
4	Service charges paid												
	- Zuari Indian Oiltanking Limited	-	-	-	173.70	-	-	-	-	-	115.32	-	-
	- Zuari Investment Limited	-	-	-	-	-	-	-	-	-	-	0.20	-
	- Zuari Management Services Ltd	-	-	-	115.31	-	-	-	-	-	-	-	-
	- Zuari Global Limited*	-	-	-	60.34	-	-	-	-	-	-	-	-
	- Simon India Limited	-	-	-	70.67	-	-	-	-	-	-	-	-
	- Indian Furniture Products Ltd	-	-	-	46.61	-	-	-	-	-	-	-	-

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

₹ in Lacs

Sl. No.	Transaction details	2012-13						2011-12					
		Subsidiaries	Joint Ventures	Holding Company	Enterprises having Significant Influence	Associates	Key Management Personnel (KMP)	Subsidiaries	Joint Ventures	Holding Company	Enterprises having Significant Influence	Fellow Subsidiaries	Key Management Personnel (KMP)
5	Inter-corporate Deposits / Loans/ Advances given												
	- Zuari Fertilisers and Chemicals Ltd	2,377.25	-	-	-	-	-	2,250.00	-	-	-	-	-
	- Zuari Seeds Ltd	1,500.00	-	-	-	-	-	-	-	-	-	-	-
6	Receipt of Inter-corporate Deposits / loans												
	- Zuari Global limited*	-	-	-	-	-	-	-	-	19,100.00	-	-	-
7	Repayment of Inter-corporate Deposits / loans given												
	- Zuari Global limited*	-	-	-	-	-	-	-	-	18.00	-	-	-
	- Zuari Fertilisers and Chemicals Ltd	4,460.00	-	-	-	-	-	-	-	-	-	-	-
8	Purchase of finished goods												
	- Zuari Seeds Limited	1,936.53	-	-	-	-	-	410.04	-	-	-	-	-
	- Zuari Rotem Speciality Fertilisers Limited	-	4,194.78	-	-	-	-	-	4,355.54	-	-	-	-
	- Paradeep Phosphates Limited	-	4,499.25	-	-	-	-	-	-	-	-	-	-
9	Purchase of Assets												
	- Indian Furniture Products Limited	-	-	-	30.87	-	-	-	-	-	-	-	-
	- Style Spa Furniture Limited	-	-	-	19.14	-	-	-	-	-	-	-	-
	- Zuari Fertilisers and Chemicals Ltd	7.83	-	-	-	-	-	-	-	-	-	-	-
10	Interest Paid												
	- Zuari Global Limited*	-	-	-	-	-	-	29.05	-	-	-	-	-
11	Interest Received on loan/deposit												
	- Zuari Fertilisers and Chemicals Ltd	245.00	-	-	-	-	-	151.79	-	-	-	-	-
	- Zuari Rotem Speciality Fertilisers Ltd	-	1.46	-	-	-	-	-	58.71	-	-	-	-
	- Zuari Seeds Limited	167.67	-	-	-	-	-	-	-	-	-	-	-
	- Mr. N. Suresh Krishnan	-	-	-	-	-	-	1.96	-	-	-	-	-

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

₹ in Lacs

Sl. No.	Transaction details	2012-13						2011-12					
		Subsidiaries	Joint Ventures	Holding Company	Enterprises having Significant Influence	Associates	Key Management Personnel (KMP)	Subsidiaries	Joint Ventures	Holding Company	Enterprises having Significant Influence	Fellow Subsidiaries	Key Management Personnel (KMP)
12	Service Income Received												
	- Zuari Indian Oiltanking Limited	-	-	-	900.00	-	-	-	-	-	-	-	-
	- Zuari Fertilisers and Chemicals Ltd	133.06	-	-	-	-	-	-	-	-	-	-	-
13	Management Fees Received												
	- Zuari Seeds Limited	-	-	-	-	-	32.26	-	-	-	-	-	-
	- Zuari Global limited	-	-	-	140.70	-	-	-	-	-	-	-	-
14	Rent Paid												
	- Zuari Global limited	-	-	-	43.64	-	-	-	-	-	-	-	-
15	Dividend Paid												
	- Zuari Global limited	-	-	-	252.35	-	-	-	-	-	-	-	-
	- Zuari Management Services Ltd	-	-	-	126.17	-	-	-	-	-	-	-	-
16	Managerial Remuneration												
	- Mr. N. Suresh Krishnan	-	-	-	-	-	133.20	-	-	-	-	-	-
	- Mr. Akshay Poddar	-	-	-	-	-	44.88	-	-	-	-	-	-
17	Commission Paid												
	- Mr. S. K. Poddar	-	-	-	-	-	3.50	-	-	-	-	-	-
18	Sitting fees paid												
	- Mr. S. K. Poddar	-	-	-	-	-	1.10	-	-	-	-	-	-

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

Balance Outstanding at the year end.

(₹ in Lacs)

Sl. No.	Transaction details	2012-13					2011-12					
		Subsidiaries	Joint Ventures	Holding Company	Enterprises having Significant Influence	Associates	Key Management Personnel (KMP)	Subsidiaries	Joint Ventures	Associates	Fellow Subsidiaries	Key Management Personnel (KMP)
1	Loan/ ICD Given											
	- Zuari Fertilisers and Chemicals Ltd	4,667.25	-	-	-	-	6,750.00	-	-	-	-	-
	- Zuari Seeds Limited	1,334.94	-	-	-	-	-	-	-	-	-	-
	- Mr. N. Suresh Krishnan	-	-	-	-	27.60	-	-	-	-	-	-
2	As Trade Payables											
	- Zuari Maroc Phosphates Limited	-	18.73	-	-	-	-	18.80	-	-	-	-
	- Zuari Indian Oiltanking Limited	-	-	-	22.73	-	-	18.91	-	-	-	-
	- Zuari Rotem Speciality Fertilisers Limited	-	1,705.17	-	-	-	-	120.43	-	-	-	-
	- Indian Furniture Products Limited	-	-	-	6.49	-	-	-	-	-	-	-
	- Simon India Limited	-	-	-	40.51	-	-	-	-	-	-	-
	- Style Spa Furniture Limited	-	-	-	1.48	-	-	-	-	-	-	-
	- Paradeep Phosphates Limited	-	4,483.70	-	-	-	-	-	-	-	-	-
3	As Advances Recoverable											
	- Zuari Fertilisers and Chemicals Ltd	133.42	-	-	-	-	104.93	-	-	-	-	-
	- Paradeep Phosphates Limited	-	-	-	-	-	-	19.11	-	-	-	-
	- Zuari Seeds Limited	-	-	-	-	-	1,771.47	-	-	-	-	-
	- Zuari Management Services Limited	-	-	-	0.06	-	-	-	-	-	-	-
	- Adventz Industries India Limited	-	-	-	2.03	-	-	-	-	-	-	-
4	Accrued Service Income											
	- Zuari Indian Oiltanking Limited	-	-	-	910.12	-	-	-	-	-	-	-
5	Advance against purchase of Investment											
	- Zuari Global Limited	-	-	-	8,400.00	-	-	-	-	-	3,454.88	-
6	Interest on ICD/Loan											
	- Zuari Fertilisers and Chemicals Ltd	18.73	-	-	-	-	136.61	-	-	-	-	-
	- Zuari Seeds Limited	130.90	-	-	-	-	-	-	-	-	-	-
	- Mr. N. Suresh Krishnan	-	-	-	-	-	5.77	-	-	-	-	-
7	Commission payable											
	- Mr. S. K. Poddar	-	-	-	-	-	3.50	-	-	-	-	-

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

39. Earnings Per Share (EPS):

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Profit after taxation as per statement of Profit and Loss (₹ in lacs)	2444.63	10,317.71
Weighted average number of shares used in computing earnings per share	4,20,58,006	3,33,16,619*
Basic and Diluted Earnings per share – Basic and diluted (in Rupees) (annualised)	5.81	30.97
Face value per share (in Rupees)	10.00	10.00

* including 29,440,604 equity shares appearing under Equity Suspense account.

40. The Revenue Department of the Government of Goa has issued a notification under sub-section (1) of section 4 of the Land Acquisition Act, 1984 on 5th February, 2007 and further notification on 19th April, 2007 proposing to acquire 159,700 sq. mts. of the land belonging to Company for public purpose. The Company has filed an appeal with the High Court of Bombay at Goa against the notification. The High Court has asked status quo to be maintained on the land acquisition proceedings.

41. 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 & loss and the funded status and amounts recognized in the balance sheet.

Statement of Profit and Loss

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

Particulars	2012 – 13	2011–12
Current Service Cost	319.61	185.28
Interest Cost	173.34	–
Past Service Cost (Vested Benefits)	**253.18	–
Expected return on plan assets	(201.33)	(75.63)
Net actuarial (gain) recognized in the period	(260.17)	(27.72)
Net benefit expense/(income)*	284.63	81.93

* Excluding ₹ 5.92 Lacs (Previous Year ₹ Nil) for Gratuity Expense transfer to other Company.

** Due to enhancement of maximum limit of Gratuity to ₹ 25 lacs per employee.

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

Balance sheet

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

(₹ in Lacs)

Particulars	2012 – 13	2011–12
Defined benefit obligation	2512.98	2,287.93
Fair value of plan assets	2237.70	2,206.00
Plan asset/(liability)	(275.28)	(81.93)
Experience (gain)/loss on obligation	(117.01)	(71.70)
Experience gain/(loss) on plan assets	(18.69)	–

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

(₹ in Lacs)

Particulars	2012 – 13	2011–12
Opening defined obligation	2287.93	–
Current service cost	319.61	185.28
Interest Cost	173.34	–
Past Service Cost (Vested Benefits)	253.18	–
Benefits paid	(242.22)	(159.66)
Service cost(Transfer in)	–	*2,290.03
Actuarial (gain)/loss on obligation	(278.86)	(27.72)
Closing defined benefit obligation	2512.98	2,287.93

* Obligation arising due to Demerger

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

(₹ in Lacs)

Particulars	2012 – 13	2011–12
Opening fair value of plan assets	2206.00	–
Adjustment to Opening Balance	(0.04)	–
Expected return	201.33	75.63
Contribution by employer	91.32	–
Benefits paid	(242.22)	(159.66)
Service cost (Transfer in)	–	*2,290.03
Actuarial gain/(loss) on plan asset	(18.69)	–
Closing fair value of plan assets	2237.70	2,206.00

The Company expects to contribute ₹ 275.28 lacs (Previous year ₹ 81.93 lacs) towards gratuity during the year 2013–14.

* Obligation arising due to Demerger

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

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

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

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

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

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

- 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) The current year being the second year of adoption of AS 15 (Revised) by the Company, disclosures as required by Para 120 (n) (i) of Accounting Standard 15 (Revised) have been furnished only for two years.

B) Provident Fund

As per the Guidance 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. During the current period, actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuary Society of India.

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

Statement of Profit and Loss

(₹ in Lacs)

Particulars	2012 – 13	2011–12
Current Service Cost	283.42	191.76
Interest Cost	–	–
Net liability	–	45.98
Net benefit expense/(income)	283.42	237.74

Balance sheet

Funding Status and amount recognized in the Balance Sheet

(₹ in Lacs)

Particulars	2012 – 13	2011–12
Defined benefit obligation	9,725.10	9,251.53
Fair value of plan assets	9,815.42	9,205.55
Plan asset*/(liability)	90.32	(45.98)

* Plan asset has not been recognized in the financial statement, as the surplus of the trust is distributable among the beneficiaries of the provident fund trust.

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

The current year being the second year of adoption of Guidance Note on implementing AS-15, Employee Benefits (Revised 2005) issued by the Accounting Standard Board (ASB), provident funds set up by employers, disclosures have been furnished only from the year of adoption.

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

(₹ in Lacs)

Particulars	2012 – 13	2011–12
Opening defined benefit obligation	9,251.53	9,792.07
Current service cost	283.42	191.76
Interest Cost	786.38	832.33
Contributions by Plan participants / Employee	439.35	457.00
Benefits Paid out of funds	(1,046.75)	(1,959.92)
Actuarial (gain)/loss on obligation	(63.46)	(122.69)
Settlements / transfer in	74.63	60.98
Closing defined benefit obligation	9,725.10	9,251.53

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

(₹ in Lacs)

Particulars	2012 – 13	2011–12
Opening fair value of plan assets	9,205.55	9,718.55
Expected return on plan assets	782.47	826.08
Employer Contribution	283.42	191.76
Plan participants / Employee contribution	439.35	457.00
Benefits paid	(1,046.75)	(1,959.92)
Actuarial gains/ (loss) on plan assets	76.75	(88.90)
Settlements / Transfer in	74.63	60.98
Closing fair value of plan assets	9,815.42	9,205.55

- 1) The Company expects to Contribute ₹ 300 lacs to provident fund trust in the financial year 2013–14.
- 2) The information related to experience adjustment on plan assets and liabilities are not available but the amount would not be material in the opinion of the management.

The principal assumptions used in determining provident fund obligations:

Particulars	2012 – 13	2011–12
Discount Rate	8.50%	8.50%
Expected Rate of Return	8.50%	8.50%
Employee turnover Rate	1–3%	1–3%

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

C) Defined Contribution Plan

(₹ in Lacs)

Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
Contribution to Superannuation Fund	236.65	144.02
Contribution to Contributory pension fund	131.66	100.75
Total	368.31	244.77

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

(₹ in lacs)

S. No.	Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
i)	The principal amount and the interest due thereon remaining unpaid to any supplier: – Principal amount – Interest thereon	Nil 0.25	Nil 0.24
ii)	the amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
iii)	the amount of interest due and payable for the period 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	0.01	0.24
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

43. The Company has obtained office premises, apartments, warehouses and vehicles on operating leases for the period upto 6 years. In all the cases, the agreements are further renewable at the option of the Company except in case of vehicle lease agreement. There is an escalation clause in the respective lease agreements except on vehicle lease. 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 ₹ 2,591.65 lacs (31 March 2012: ₹ 762.95 lacs).

44. Subsidy of ₹ 27.21 lacs (Capital ₹15.51 lacs and revenue ₹ 11.70 lacs) has been received during the year ended 31st March 2013 from Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India under the centrally sponsored scheme "National Project on Management of Soil Health & Fertility" towards cost incurred in respect of Agricultural Development Laboratory at Tirupathi. It has been accounted for as per the provisions of "AS 12 – Accounting for Government Grants" and ₹ 15.51 lacs received for capital assets has been reduced from the capitalised assets. The same has been disclosed as an adjustment to fixed assets during the current year; and depreciation already charged amounting to ₹ 1.59 lacs has been adjusted from the depreciation charge for the current year. Subsidy of ₹ 11.70 lacs for revenue expenditure is taken to the Statement of Profit and Loss.

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

45. Government of India, Ministry of Chemical and Fertilizers, Department of Fertilizers vide its Office Memorandum dated 23rd July, 2012 has finalized the rates applicable for claiming the freight subsidy relating to secondary movement and direct road movement for Phosphatic and Potassic Fertilizers from 1st April, 2008 to 31st March, 2010. Final rates for the subsequent period have not been announced so far. The Company has accrued a total Income on estimated basis of ₹ 2,302.54 lacs upto 31st March, 2012 by considering the rates applicable for 2009-10.
46. Shutdown of DAP/ Complex fertilizers plants of the Company was undertaken from December 4, 2012. The DAP/ Complex fertiliser plants' operations continue to remain suspended and shall start once the market situation improves. Further, Ammonia/Urea plants are under shutdown from March 24, 2013 onwards for scheduled annual turnaround.
47. The agreement with Zuari Maroc Phosphates Limited (ZMPL) for providing management services to Paradeep Phosphates Limited, which got suspended on 1st October, 2005, continues to remain so and consequently no management services fees has been accounted for the year.
48. Previous year figures have been reclassified /regrouped where ever necessary to confirm to current years classification.

As per our report of even date

For and on behalf of Board of Directors of Zuari Agro Chemicals Limited

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firms Registration No.301003E

S. K. Poddar
Chairman

N. Suresh Krishnan
Managing Director

Marco Wadia
Director

per Anil Gupta
Partner
Membership No: 87921

V. Seshadri
Vice President Finance

R. Y. Patil
Chief General Manager
& Company Secretary

Place : Gurgaon
Dated : 9th May, 2013

Place: Gurgaon
Date: 9th May, 2013

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Zuari Agro Chemicals Limited

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

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 Company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 29 of the consolidated financial statement. The Zuari Agro Chemicals Group has recognized and is carrying forward goodwill of ₹ 1795.38 lacs in respect of Zuari Seeds Limited, a wholly owned subsidiary of the Group. Based on the financial statement of the subsidiary, its net worth is substantially lower than the Company's investment in this Company. No provision for impairment has been made against the above in view of strategic long term investment of the Zuari Agro Chemicals Group in this subsidiary and its future profitable projections. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit total assets of ₹ 4,669.95 lacs as at March 31, 2013, total revenues of ₹ 361.07 lacs and net cash inflows amounting to ₹ 2.93 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of one of the subsidiary, whose financial statements and other financial information have been audited by other auditors and whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For S.R. Batliboi & Co. LLP

Chartered Accountants
Firm Registration Number: 301003E

per Anil Gupta

Partner
Membership Number: 87921

Place : Gurgaon
Date : May 09, 2013

Zuari Agro Chemicals Limited (Formerly Known as Zuari Holdings Limited)

Consolidated Balance Sheet as at 31st March 2013

		₹ in lacs	
Notes	31st March 2013	31st March 2012	
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	4,205.80	4,205.80
(b) Reserves and surplus	4	1,02,695.51	97,741.81
		1,06,901.31	1,01,947.61
Minority interest			
	5	11,160.17	10,147.66
Non-current liabilities			
(a) Long-term borrowings	6	5,845.10	822.75
(b) Deferred tax liabilities	7	1,577.57	1,566.93
(c) Other long term liabilities	8	5,686.49	4,951.10
(d) Long-term provisions	9	2,161.74	1,685.68
		15,270.90	9,026.46
Current liabilities			
(a) Short-term borrowings	10	4,36,393.16	3,53,882.55
(b) Trade payables	8	55,210.70	1,04,767.08
(c) Other current liabilities	8	17,660.56	16,080.84
(d) Short-term provisions	9	7017.21	8,882.09
		5,16,281.63	4,83,612.56
Total		6,49,614.01	6,04,734.29
II. ASSETS			
Non-current assets			
(a) Goodwill on consolidation (Refer note. 29 (a))		1,832.98	1,832.98
(b) Fixed assets			
i Tangible assets	11.1	35,019.37	32,006.52
ii Intangible assets	11.2	538.79	697.60
iii Capital work-in-progress		13,446.71	5,026.98
(c) Deferred tax assets	7	–	1,378.03
(d) Loans and advances	12	17,052.55	10,524.81
(e) Other non-current assets	13	861.01	140.67
		68,751.41	51,607.59
Current assets			
(a) Current investments	14	77.41	80.98
(b) Inventories	15	94,345.24	1,07,685.70
(c) Trade receivables	16	4,33,993.86	3,74,433.48
(d) Cash and bank balances	17	21,155.80	33,824.45
(e) Loans and advances	12	5,690.05	12,044.98
(f) Other current assets	13	25,600.24	25,057.11
		5,80,862.60	5,53,126.70
Total		6,49,614.01	6,04,734.29
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 Board of Director of Zuari Agro Chemicals Limited.

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E

S. K. Poddar
Chairman

N. Suresh Krishnan
Managing Director

Marco Wadia
Director

per ANIL GUPTA
Partner
Membership No. 87921

V. Seshadri
Vice President - Finance

R. Y. Patil
Chief General Manager
& Company Secretary

Place: Gurgaon
Date: May 09, 2013

Place: Gurgaon
Date: May 09, 2013

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

		₹ in lacs	
		31st March 2013	31st March 2012
I.	Income	Notes	
	(a) Revenue from operations (gross)	18	7,90,790.42
	Less: excise duty	18	1,876.92
	(b) Revenue from operations (net)		7,88,913.50
	(c) Other income	19	10,149.53
	Total Revenue		7,99,063.03
II	Expenses		
	(a) Cost of raw material consumed	20	3,20,352.11
	(b) Purchase of traded goods	21	3,01,703.07
	(c) (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	22	9,289.96
	(d) Employee benefits expense	23	12,693.30
	(e) Depreciation and amortization expense (including ₹ 431.07 lacs for earlier years)	25	3,809.36
	(f) Finance costs	26	30,334.46
	(g) Other expenses	24	1,11,366.30
	Total		7,89,548.56
III	Profit before tax (I-II)		9,514.47
IV	Tax expenses		26,744.93
	(a) Current tax		2,481.01
	(b) MAT credit entitlement		(1.86)
	(c) Deferred tax charge/ (credit)		1,443.81
	(d) Income tax adjustments of earlier years (Net)		(1,850.88)
	Total tax expense		2,072.08
V	Profit for the year (III-IV)		7,442.39
VI	Less: Shares of Minority interest in profits		18,060.21
VII	Net Profit attributable to shareholders of Zuari Agro Chemicals Limited		1,012.51
	Basic	30	6,429.88
	Earnings per equity share (nominal value of share ₹ 10/-)		₹ 15.29
	Diluted		₹ 49.35
	Earnings per equity share (nominal value of share ₹ 10/-)		₹ 15.29

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 Board of Director of Zuari Agro Chemicals Limited.

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E

S. K. Poddar
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Director

per ANIL GUPTA
Partner
Membership No. 87921

V. Seshadri
Vice President - Finance

R. Y. Patil
Chief General Manager
& Company Secretary

Place: Gurgaon
Date: May 09, 2013

Place: Gurgaon
Date: May 09, 2013

Zuari Agro Chemicals Limited (Formerly Known as Zuari Holdings Limited)
Consolidated Cash Flow Statement for the year ended 31st March 2013

₹ in lacs

S.No.	PARTICULARS	Year ended 31st March 2013	Year ended 31st March 2012
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit before tax	9,514.47	26,744.93
	Adjustment for :		
	Depreciation / amortisation	3,809.37	2,863.98
	Diminution in the value of Fertiliser Companies' Government of India Special Bonds	-	222.61
	Loss on fixed assets sold / discarded (net)	177.12	154.62
	Bad debts, claims and advances written off	8.33	11.96
	Provision for doubtful debts, claims and advances	118.60	72.60
	Unrealized foreign exchange fluctuation loss	277.61	1,484.91
	Excess provision / unclaimed liabilities / unclaimed balances written back	(1,969.24)	(365.63)
	Reversal of charge of diminution in the value of Fertiliser Companies Government of India Special Fertiliser Bonds.	(1,062.30)	-
	Interest expense	15,568.02	6,786.91
	Interest income	(3,372.38)	(3,012.66)
	Dividend income	(1,236.59)	(1,214.34)
		12,318.53	7,004.97
	Operating profit before working capital changes	21,833.00	33,749.90
	Changes in working capital :		
	Decrease in inventories	13,340.46	13,884.46
	(Increase) in trade receivables	(59,687.31)	(2,56,593.98)
	Decrease in other assets	64.60	15,827.31
	Decrease / (Increase) in loans and advances	7,060.28	(4,847.17)
	Increase / (Decrease) in current liabilities	(42,377.21)	18,433.54
	(Decrease) in provisions	(1,113.00)	(2,513.50)
		(82,712.19)	(2,15,809.33)
	Cash (used) in operations	(60,879.19)	(1,82,059.43)
	Direct tax paid (net of refunds)	(2,536.72)	(7,558.06)
	Net cash flow (used) in operating activities (A)	(63,415.91)	(1,89,617.49)
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of fixed assets, including tangible assets, CWIP and Capital Advances	(15,412.88)	(5,491.43)
	Proceeds from sale of fixed assets	157.90	40.43
	Proceeds from sale of current investments	3,90,169.53	3,95,318.52
	Proceeds from sale of non current investments	-	2.65
	Purchase of non current investments in subsidiaries and joint ventures*	-	(23,204.85)
	Purchase of non current investments	(4,945.11)	-
	Purchase of current investments	(3,90,165.96)	(3,86,840.97)
	Dividend received	1,236.59	1,214.34
	Interest received	3,286.39	3,039.92
	Redemption/ maturity of bank deposits (having original maturity of more than three months)	50.00	180.23
	Investment in bank deposits (having original maturity of more 3 months)	(67.09)	-
	Loans given to Bodies Corporates	-	(2,000.00)
	Net cash flow (used in) investing activities (B)	(15,690.63)	(17,741.16)

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

₹ in lacs

S.No.	PARTICULARS	Year ended 31st March 2013	Year ended 31st March 2012
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from Issuance of Share Capital	–	1,061.74
	Proceeds from long term borrowing	5,438.93	–
	Repayment of long term borrowing	(2,976.58)	(4,065.25)
	Proceeds from buyers credit	4,09,204.32	3,14,919.58
	Repayment of buyers credit	(5,20,552.97)	(1,13,353.35)
	Proceeds from short term borrowings	1,93,581.98	43,256.20
	Dividend Paid	(1,461.70)	–
	Interest paid	(16,809.41)	(5,245.65)
	Net cash flow from financing activities (C)	66,424.56	2,36,573.28
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(12,681.98)	29,214.63
	CASH AND CASH EQUIVALENTS (OPENING)	33,774.45	17.33
	Add : Transfer from Demerged Fertilizer Business of Zuari Industries Limited	–	1,479.90
	Add : Transfer of Cash and Cash Equivalents of subsidiaries and joint venture companies	–	3,062.59
	CASH AND CASH EQUIVALENTS (CLOSING) (Refer below)	21,092.47	33,774.45

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

₹ in lacs

CASH AND CASH EQUIVALENTS	As at 31st March 2013	As at 31st March 2012
Cash in hand	3.24	2.23
With banks -on current accounts	265.77	23,739.02
With banks -on cash credit accounts	15,818.74	10,032.30
With banks -on unpaid Dividend accounts**	4.72	–
With banks -on deposit accounts	5,000.00	0.90
Cash and Cash Equivalents	21,092.47	33,774.45

* includes purchase of investments in subsidiaries, happened through cash and cash equivalent

** These balances are not available for use as they represent corresponding unpaid dividend liabilities

As per our report of even date

For and on behalf of Board of Director of Zuari Agro Chemicals Limited.

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E

S. K. Poddar
Chairman

N. Suresh Krishnan
Managing Director

Marco Wadia
Director

per ANIL GUPTA
Partner
Membership No. 87921

V. Seshadri
Vice President - Finance

R. Y. Patil
Chief General Manager
& Company Secretary

Place: Gurgaon
Date: May 09, 2013

Place: Gurgaon
Date: May 09, 2013

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
(Formerly known as the Zuari Holdings Group) FOR THE FINANCIAL YEAR 2012-13**

1. Basis for preparation

The Consolidated Financial Statements relate to Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited)(hereinafter referred to as the “Company”) and its subsidiary companies (collectively hereinafter referred to as the “Zuari Agro Chemicals Group” (formerly known as the “Zuari Holdings Group”)).

Pursuant to application for change of name of Company as per the approval of the shareholders at the Extraordinary General Meeting of the Company, held on 10th September 2012, the name of the Company has been changed from Zuari Holdings Limited to Zuari Agro Chemicals Limited vide fresh certificate of incorporation dated 28th September 2012 issued by the Registrar of Companies, Goa Daman and Diu.

These financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

2.1 Summary of Significant Accounting Policies

I) Basis of classification of Current and Non Current

Assets and liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of revised Schedule VI notified under the Companies Act 1956.

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

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

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

II) Use of Estimates

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

III) Principles of Consolidation

In the preparation of these Consolidated Financial Statements, investments in Subsidiaries, and Joint Venture entities have been accounted for in accordance with AS-21(Accounting for 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.

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

IV. Tangible Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs if capitalization criteria are met 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 year during which such expenses are incurred.

Gains or losses arising from derecognition of tangible 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 derecognised.

Expenditure directly relating to construction activity are capitalized. Indirect expenditure incurred during construction period are capitalized as part of the indirect construction cost to the extent to which the expenditure are related to construction activity. Other indirect expenditure (including borrowing costs) incurred during the construction period which are not related to the construction activity nor are incidental thereto are charged to the Statement of Profit and Loss. Income earned during construction period is deducted from the total of the indirect expenditure.

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 the estimated useful lives of three years.

Development Cost

Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of five years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually

In case of a subsidiary company, Goodwill is amortized over a period of twenty years, subject to available surplus for the year before amortization of goodwill, based on the order of Hon'ble High Court of Bombay at Panaji (Goa).

VI. Depreciation

- i) Depreciation on tangible fixed assets (other than specific asset referred under para ii) to vii) below) is provided using the Straight Line Method as per the useful lives of the assets as estimated by the management, which are equal to the rates prescribed under Schedule XIV of the Companies Act, 1956 . For this purpose, a major portion of the plant has been considered as continuous process plant.

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- ii) In case of the Parent Company, a subsidiary company, subsidiary of a joint venture and a joint venture entity, keeping in view the rapid technological advancement and high rate of obsolescence, computers and peripherals are depreciated/ amortized over the useful lives of three years.
- iii) Premium paid on acquisition of Leasehold Land is being amortized over the period of the respective leases i.e 90 years.
- iv) Leasehold Improvements are being depreciated over the respective lease periods of three years or useful lives of the assets, whichever is shorter.
- v) Insurance/Machinery spares are depreciated prospectively over the estimated remaining useful lives of the respective mother assets, which are depreciated as per para (i) above.
- vi) Fixed assets whose value is less than ₹ 5000/- are depreciated fully in the year of purchase.
- vii) In respect of a subsidiary, depreciation on office equipments is provided @ 33.33% on straight line method as per the useful lives of the assets estimated by the management.

VII. 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.

VIII. Impairment

The carrying amounts of Tangible and Intangible fixed 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 asset over its remaining useful life.

IX. Inventories

- i) Inventories are valued at the lower of Cost and Net Realizable Value (except to the extent stated in (ii) below). The Cost for this purpose is determined as follows:
 - a) Stores and Spares, Fuel Oil, Raw Materials and Packing Materials: Moving weighted average method.
 - b) Work-in-process: Material cost on Moving weighted average method and appropriate manufacturing overheads based on normal operating capacity
 - c) Finished goods (manufactured): Material cost on Moving weighted average method and appropriate manufacturing overheads based on normal operating capacity including Excise Duty
 - d) Finished goods (traded): Moving weighted average method
 - e) 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 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.
- ii) In respect of subsidiary of a joint venture, inventory of waste product lying at various warehouses other than factory are valued at net realizable value.

X. Investments

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

XI. Retirement and other Employee Benefits

i) Provident Fund

Retirement benefits in the form of Provident Fund is a defined benefit obligation in respect of the Parent Company and a subsidiary of joint venture company and is provided for on the basis of actuarial valuation of projected unit credit

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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 balance of own managed fund is provided for as liability in the books in terms of the provisions under the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952. Actuarial gains and losses for defined obligation are recognized in full in the period in which they occur in the statement of profit and loss.

In case of other companies in the group, Provident fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contribution to the funds is due. The companies do not have any other obligation other than contribution made to the fund. The companies have no obligation, other than the contribution payable to the fund. The 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.

ii) Family Pension Fund

Family Pension Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contribution to the funds is due. The companies do not have any other obligation other than contribution made to the fund. The companies have no obligation, other than the contribution payable to the fund. The 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.

iii) Gratuity

In respect of the Group, retirement benefit in the form of gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year (except in case of a Joint Venture Company where the number of employees are below 50 and it is provided for on actual computation basis, 0.38% of the total gratuity expenses for the year ended March 31, 2013.)

The Parent Company, a subsidiary and a subsidiary of joint venture have taken insurance policy under the group Gratuity scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and actuarial gains and losses for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

iv) Post Employment Medical Benefit

In respect of a subsidiary of a joint venture, post employment medical benefit is a defined benefit obligation which is provided for based on actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of Profit and Loss and are not deferred.

v) Leave Encashment

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employees 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 Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group) treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of Profit and Loss and are not deferred.

The Zuari Agro Chemicals Group (formerly known as the Zuari Holdings 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 the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

vi) Superannuation, Contributory Pension Fund and Death Benevolent Fund

The Parent Company, a subsidiary company and a subsidiary of the joint venture have approved Superannuation Fund and Contributory Pension Fund which are defined contribution schemes and the contributions paid to Life Insurance

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Corporation of India (LIC) against the insurance policy taken with them are charged to the Statement of Profit and Loss each year. The Company does not have any other obligation other than contributions paid to LIC. The Company recognizes contribution payable to the fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

One of the subsidiary of joint venture company also has a Death Benevolent Fund which is a defined contribution scheme and the contribution is paid to the Fund is charged to the Statement of Profit and Loss each year. The Company does not have any other obligation other than contribution made to this Fund. The Company recognizes contribution payable to the fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

XII. Foreign Currency Transactions

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 retranslated using the exchange rate prevailing at the reporting date. 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:

The Zuari Agro Chemicals Group accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

- (i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- (ii) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortized over the remaining life of the concerned monetary item.
- (iii) All other exchange differences are recognized as income or as expense in the period in which they arise

For the purpose of i) and ii) above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period.

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.

XIII. Government Grants and subsidies

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.

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XIV. Leases

Operating Lease, Where the Company is the lessee:

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

XV. Accounting for taxes

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

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company (within the Zuari Agro Chemicals Group (formerly known as the Zuari Holdings 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 Agro Chemicals Group (formerly known as the Zuari Holdings Group)), writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the company (within the Zuari Agro Chemicals Group (formerly known as the Zuari Holdings 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 Agro Chemicals Group (formerly known as the Zuari Holdings 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 Agro Chemicals Group (formerly known as the Zuari Holdings Group)) will pay normal income tax during the specified period.

XVI. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

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

Concessions in respect of Urea as notified under the New Pricing Scheme is recognized with adjustments for escalation/de-escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

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

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

- ii) Scrap / Waste products lying at the factory gate are accounted for in the year of sale.
- iii) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv) Insurance claim is accounted for to the extent the Group is reasonably certain of their ultimate collection.
- v) Dividend is recognized when the shareholders' right to receive payment is established by the reporting date.

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XVII. Borrowing costs

Borrowing costs includes interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost 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. Provision

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 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.

XIX. Earnings per Share

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

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

XX. Derivative Instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, 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. 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 recognised 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 liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
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3. Share Capital

₹ in lacs

Particulars	31st March 2013	31st March 2012
Authorised :		
4,20,58,006 (31st March 2012:: 4,20,58,006) Equity Shares of ₹ 10/- Each	4,205.80	4,205.80
	4,205.80	4,205.80
Issued		
4,20,58,006 (31st March 2012:: 1,26,17,402) Equity Shares of ₹ 10/- Each Fully paid	4,205.80	1,261.74
Subscribed and Paid-up		
4,20,58,006(31st March 2012:: 1,26,17,402) Equity Shares of ₹ 10/- Each Fully paid	4,205.80	1,261.74
Total	4,205.80	1,261.74
Equity Share suspense account *	-	2,944.06
Total	4,205.80	4,205.80

* Equity Share suspense as on 31st March, 2012 represented 2,94,40,604 Equity Shares of ₹ 10/- each to be issued to the shareholders of Zuari Global Limited (Formerly known as Zuari Industries Limited) consequent to the Scheme of Arrangement and Demerger becoming Operational from effective date, pending allotment. The same has been allotted during the year ended 31st March 2013.

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

Equity Shares	31 st March 2013		31 st March 2012	
	in Numbers	₹ in lacs	in Numbers	₹ in lacs
At the beginning of the year	1,26,17,402	1,261.74	20,00,000	200.00
Issued during the year	2,94,40,604	2,944.06	1,06,17,402	1,061.74
Outstanding at the end of the year	4,20,58,006	4,205.80	1,26,17,402	1,261.74
Equity share suspense account	-	-	2,94,40,604	2,944.06

b. Terms/Rights attached to equity Shares

The parent company has only one class of equity shares having a par value of ₹ 10/- Share. Each share holder of equity shares is entitled to one vote per share. The parent 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 ended 31st March 2013, the amount of per share dividend recognised as distribution by the parent company to equity shareholders was ₹ 3/- per share subject to approval of shareholders. (31st March 2012 :: ₹ 3/-)

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	31 st March 2013		31 st March 2012 *	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Zuari Global Limited (Formerly known as Zuari Industries Limited)	84,11,601	20.00	84,11,601	66.67
SIL Investments Limited	32,08,000	7.63	-	-
Texmaco Infrastructure & Holdings Limited	28,17,941	6.70	-	-
Globalware Trading & Holdings Limited	70,12,000	16.67	-	-
Zuari Management Services Limited	42,05,801	10.00	42,05,801	33.33

* without considering equity shares to be issued as per the Scheme of Arrangement and Demerger (Refer note. 46)

As per 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.

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d. Shares issued for consideration other than cash, during the period of five years immediately preceding the reporting date:

Equity Shares	31st March 2013		31st March 2012	
	in Numbers	₹ in lacs	in Numbers	₹ in lacs
Equity shares allotted as fully paid-up pursuant to the Scheme of Arrangement and Demerger for consideration other than cash	2,94,40,604	2,944.06	–	–

4. Reserves and Surplus

₹ in lacs

Particulars	31st March 2013	31st March 2012
Capital Reserve		
Balance as per last financial statements	17,364.59	–
Capital Reserve (Arising on Consolidation, Refer Note No. 29 (b))	–	17,364.59
Closing Balance	17,364.59	17,364.59
Business Restructuring Reserve *		
Balance as per last financial statements	65,404.84	–
Add : arising on 1st July,2011 being the difference of assets over liabilities on the transfer/ vesting of the “Fertiliser Undertaking” as per the Scheme of Arrangement and Demerger in terms of Order of Hon’ble High Court of Bombay (Refer note 46)	–	65,404.84
Closing Balance	65,404.84	65,404.84
General Reserve		
Balance as per last financial statements	5,000.00	–
Add: Amount transferred from surplus balance in the statement of profit and loss	500.00	5,000.00
Closing Balance	5,500.00	5,000.00
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	9,972.37	(2.97)
Net Profit for the year	6,429.88	16,441.78
Less : Appropriations		
Proposed final equity dividends of ₹ 3/- Per Equity Share	1,261.74	1,261.74
Tax on proposed equity dividend	214.43	204.69
Transfer to general reserve	500.00	5,000.00
Total appropriations	1,976.17	6,466.43
Net surplus in the statement of profit and loss	14,426.08	9,972.38
Total Reserves and Surplus	1,02,695.51	97,741.81

* The said reserve be treated as free reserve and be restricted and not utilised for declaration of dividend by the Parent Company.

5. Minority Interest

₹ in lacs

Name of the Company	31st March 2013	31st March 2012
Paradeep Phosphates Ltd.		
% Share of Minority	19.55%	19.55%
Share in Equity Share Capital	5,624.45	5,624.45
Share in the Reserves	5,535.72	4,523.21
Total	11,160.17	10,147.66

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6. Long Term Borrowings

₹ in lacs

Particulars	Non Current		Current Maturities	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Foreign currency term loan from financial institution (Secured)	5,438.93	-	-	-
Indian Rupee Term Loan from Banks (secured)	406.17	822.75	406.30	2,966.30
	5,845.10	822.75	406.30	2,966.30
Less : Amount disclosed under the head Other Current Liabilities (Refer Note no 8)	-	-	406.30	2,966.30
Net Amount	5,845.10	822.75	-	-

- An Indian rupee loan of ₹ 499.72 lacs (including Current Maturities ₹ 250.00 lacs) (31st March, 2012 :: ₹ 820.00 lacs (including Current Maturities ₹ 310 lacs)) is taken from Canara Bank at an Interest rate of BPLR Plus 1% . The loan is repayable in 10 half yearly instalments alongwith interest, from the date of loan, viz., 7 April 2010. The loan is secured by equitable mortgage of land, hypothecation of stock in trade, book debt, plant and machinery and vehicles, both present and future of subsidiary Company. The loan is also secured by corporate guarantee provided by Zuari Global Limited (Formerly known as Zuari Industries Limited).
- An Indian rupee loan of ₹ 312.75 lacs (including Current Maturities ₹ 156.45 Lacs) (31st March, 2012 :: ₹ 469.05 lacs (including Current Maturities ₹ 156.30 Lacs)) has been availed from Corporation Bank and carries floating interest rate at Corporation Bank Benchmark Advance Rate (COBAR) plus 1.85 %. The loan is repayable in 54 monthly installments starting from October 2010. The loan is secured by first charge against the factory land and building, plant and machinery, movable assets of the project and a negative lien on the assets of Joint Venture Company.
- An Indian rupee loan of Rs Nil (including Current Maturities of Rs Nil) (31st March, 2012 :: ₹ 2,500 lacs (including Current Maturities of ₹ 2,500.00 lacs)) referred to Loan taken from Syndicate Bank at an Interest Rate of 9% and Repayable in 8 quarterly instalments of ₹ 625 Lakhs commencing from 30th June, 2011. The loan was Secured by way of charge against tangible fixed assets to be created out of the loan and exclusive second charge on other fixed assets of subsidiary of a joint venture.
- Foreign Currency Loan taken from International Financial Corporation(IFC) in respect of subsidiary of joint venture at an interest rate of 6 month LIBOR + 2.85% p.a and repayable in 9 semi - annual instalments of USD 22.22 lacs (INR 1208.53 lacs) commencing from 15th June 2015. Secured by way of charges against First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and Second pari passu with the charges created in respect of current assets. (Refer Note no 28 (v)(b) below).

7. Deferred tax liabilities (Net)

₹ in lacs

Particulars	31st March 2013	31st March 2012
Deferred tax liabilities		
Fixed assets Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	4,876.79	4,573.35
Payment of Statutory Dues, not debited to Statement of Profit and Loss but claimed in Income tax	339.90	-
Gross deferred tax liabilities	5,216.69	4,573.35
Deferred tax assets		
Provision for fertiliser Companies Government of India bonds	-	837.07
Provision for doubtful debts and advances	163.80	164.62
Expenses allowable in Income tax on payment basis and deposition of Statutory dues	3,475.32	3,382.76
Gross deferred tax assets	3,639.12	4,384.45
Net deferred tax liabilities/(assets)	1,577.57*	188.90

* After netting off deferred tax assets in respect of some of the entities aggregating to Rs Nil (31st March, 2012 :: ₹ 1,378.03 lacs) and includes ₹ 55.13 lacs charged to preoperative and trial run expenses (Refer Note no 11.3 below).

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8. Other Liabilities

₹ in lacs

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Trade payables (Refer Note no. 50 for details of dues to Micro and Small Enterprises)	–	–	55,210.70	1,04,767.08
	–	–	55,210.70	1,04,767.08
Other Liabilities				
Trade deposits – dealers	5,624.82	4,941.73	448.17	384.57
Current maturities of long term borrowings	–	–	406.30	2,966.30
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	–	–	4.72	–
Interest accrued but not due on loans and deposits	–	–	711.97	1,711.75
Deferred income - PSI grant (Refer Note No. 54(b))	42.61	–	2.66	–
Interest accrued and due on borrowings	–	–	3.25	4.98
Forward cover payable	–	–	3,967.17	–
Advances from dealers and others	–	–	3,442.41	3,113.95
Book overdraft in bank	–	–	2.29	1.57
Payables towards capital goods	19.06	–	1,542.63	900.58
Interest on other dues	–	–	296.73	203.80
Statutory dues and other obligations	–	9.37	6,832.26	6,793.34
	5,686.49	4,951.10	17,660.56	16,080.84
Total	5,686.49	4,951.10	72,871.26	1,20,847.92

9. Provisions

₹ in lacs

Particulars	Long-term		Short-term	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Provision for employee benefits				
Gratuity (Refer note no. 45 (i))	0.82	1.05	303.24	104.18
Providend fund (Refer note no. 45 (iii) & (iv))	–	–	–	54.38
Post retirement medical benefits (Refer note no. 45 (ii))	163.75	107.98	31.30	23.11
Leave encashment	–	–	3,915.26	3,713.24
	164.57	109.03	4,249.80	3,894.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
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₹ in lacs

Particulars	Long-term		Short-term	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Others provisions				
Provision for current tax	1,869.39	1,465.78	30.07	719.27
Provision for wealth tax	-	-	29.04	50.00
Provision for proposed equity dividend	-	-	1,261.74	1,261.74
Provision for tax on proposed equity dividend	-	-	214.43	204.68
Provision for contractors	127.78	110.87	3.96	1.51
Others	-	-	1,228.17	2,749.98
	1,997.17	1,576.65	2,767.41	4,987.18
Total	2,161.74	1,685.68	7,017.21	8,882.09

a) The movement for Provision - Contractors (mainly gratuity liability) during the year is as follows :-

₹ in lacs

Particulars	31st March 2013	31st March 2012
Opening balance	112.38	-
On acquisition of a joint venture	-	105.53
Additions during the year	45.92	8.04
Amount used during the year	(26.56)	(1.19)
Closing balance	131.74	112.38

b) The movement for "Provision - Others" during the year is as follows :-

₹ in lacs

Particulars	31st March 2013	31st March 2012
Opening balance	2,749.98	-
On acquisition of a joint venture	-	2,711.45
Additions during the year	95.47	297.60
Amount used during the year	-	(50.00)
Unused amount reversed during the year	(1,617.28)	(209.07)
Closing balance **	1,228.17	2,749.98

** Includes the following provisions

₹ in lacs

Particulars	31st March 2013	31st March 2012
Ground rent (Refer Note no. 36 below)	649.53	586.31
Port charges (Refer Note no. 35 below)	-	1,564.17
Employees' state insurance (Refer Note no. 40 below)	80.24	129.98
Land compensation (including interest) (Refer Note no. 37 below)	223.74	223.74
Provision for others (Interest on water charges and freight claim)	274.66	245.78
Total	1,228.17	2,749.98

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
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10. Short term borrowings

₹ in lacs

Particulars		31st March 2013	31st March 2012
Secured			
From Banks			
a.	Cash Credit (The rate of Interest on Cash Credit varies between 11.50% - 14.25% and are repayable on demand)	5,985.19	13,250.40
b.	Buyers Credit (The rate of Interest on buyers credit varies between 1.00% - 4.00% and are repayable over a period of 180 - 360 days)	1,60,799.10	2,72,147.75
c.	Short Term Loans The Loan is taken at rate of Interest of 10.05% - 13% and repayable within 60 days from the date of Balance Sheet.	1,64,997.80	16,499.46
d.	Short term loan from SBI (10.25% (including 8.00% paid directly by Government of India to the bank) secured against subsidy receivable of equal amount from GOI, Ministry of Chemicals and Fertilizers under Special Banking Arrangement.)	28,088.45	–
e.	Suppliers Credit (The loan is taken at a rate 1.25% - 1.81 % and repayable over a period of 180 days)	12,537.81	–
f.	Others (The loan is taken at a rate of 10.20% - 10.25 % and repayable with in 6 months from the date of Balance Sheet. The loan is secured by Government of India Fertiliser Bonds.)	19,734.81	19,484.94
Secured Borrowings		3,92,143.16	3,21,382.55
Unsecured			
a.	Short term loan from banks (The rate of Interest on loans varies between 10.25% - 11.50% and are repayable over a period of 2 to 180 days)	44,000.00	32,500.00
b.	Bill discounted with Bank (The rate of interest 9.75% and repayable over a period of 90 days)	250.00	–
Unsecured Borrowings		44,250.00	32,500.00
Total		4,36,393.16	3,53,882.55

- (a) The Buyers Credit of ₹ 1,09,285.71 lacs (31st March, 2012 :: ₹ 2,64,001.77 lacs) and Secured Short Term Loan of ₹ 1,17,500.00 lacs (31st March 2012, ₹ nil) are secured by the first charge by way of hypothecation on the current assets, both present and future, wherever situated pertaining to the Parent Company and the Parent Company's present and future book debts outstanding, moneys receivable, claims, bills, contracts, engagements, rights and assets.
- (b) The Buyers Credit of ₹ 51,513.39 lacs (31st March, 2012 :: ₹ 8,145.98), Cash Credit of ₹ 5,451.88 lacs (31st March, 2012 :: ₹ 12,545.40), Short Term Loan of ₹ 47,497.80 lacs (31st March, 2012 :: ₹ 16,499.46) and Suppliers Credit of ₹ 12,537.81 lacs are secured by first charge by way of hypothecation on the all current assets and second charge on all immovable and movable properties of the subsidiary (Paradeep Phosphates Limited) of the joint venture company (other than current assets hypothecated in favour of Banks by way of First Charge) both present and future, on pari passu basis in favour of all consortium banks.
- (c) In respect of a subsidiary, Cash Credit of ₹ 178.76 lacs (31st March 2012:: ₹ 502.58 lacs) from banks is secured by equitable mortgage of, land, hypothecation of stock in trade, book debt, plant and machinery and vehicles, both present and future. The cash credit is repayable on demand. The cash credit is also secured by corporate guarantee provided by Zuari Global Limited (Formerly known as Zuari Industries Limited)
- (d) In respect of a joint venture company, Cash credit ₹ 354.56 lacs (31st March, 2012 :: ₹ 202.41 lacs) is availed from Corporation Bank and is repayable on demand and is secured by hypothecation of inventory cum book debts and all current assets of the Company.
- (e) In respect of a subsidiary of a joint venture, loan of ₹ 19734.81 lacs (31st March, 2012 : ₹ 19484.94 lacs). The loan is secured by Government of India Fertiliser Bonds.

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11.1 Tangible assets

(₹ in lacs)

Particulars	Freehold Land	Land (leasehold)	Leasehold Improvements	Buildings	Railway Siding	Plant & machinery	Furniture & fixtures	Office equipment	Vehicles	Total
Cost										
As at 31.03.2011	-	-	-	-	-	-	-	-	-	-
Addition: Due to De-Merger Scheme (Refer note No. 46)	93.51	-		2,070.51	1,500.58	41,149.33	423.90	1,447.18	641.77	47,326.78
Addition on acquisition of Subsidiaries/Joint Ventures	250.63	40.18	6.27	11,207.19	441.20	28,591.59	317.60	458.29	216.44	41,529.39
Additions during the year	141.48	-	-	1,043.31	-	1,316.60	104.92	114.99	107.89	2,829.19
Disposals during the year	-	-	-	3.78	-	719.63	8.32	14.52	52.23	798.48
As at 31.03.2012	485.62	40.18	6.27	14,317.23	1,941.78	70,337.89	838.10	2,005.94	913.87	90,886.88
Additions during the year	299.12	-	-	684.68	-	5,619.77	117.60	141.04	95.29	6,957.50
Disposals during the year	141.48	-	-	3.30	-	3,532.48	22.77	119.46	54.14	3,873.63
Exchange differences	-	-	-	-	-	24.14	-	-	-	24.14
Borrowing Costs	-	-	-	-	-	16.18	-	-	-	16.18
Adjustments	-	-	-	-	-	(40.16)	(53.67)	78.32	-	(15.51)
As at 31.03.2013	643.26	40.18	6.27	14,998.61	1,941.78	72,425.34	879.26	2,105.84	955.02	93,995.56
Depreciation										
As at 31.03.2011	-	-	-	-	-	-	-	-	-	-
Addition: Due to De-Merger Scheme (Refer note No. 46)	-	-	-	1,081.38	919.86	24,387.48	283.43	880.37	143.39	27,695.91
Addition on acquisition of Subsidiaries/Joint Ventures	-	6.78	4.18	5,517.32	401.31	22,664.15	175.15	326.20	80.91	29,176.00
Charge for the year	-	0.57	1.80	292.99	54.71	2,008.31	64.84	134.79	63.87	2,621.88
Deductions during the year	-	-	-	1.86	-	571.23	4.00	7.53	28.81	613.43
As at 31.03.2012	-	7.35	5.98	6,889.83	1,375.88	48,488.71	519.42	1,333.83	259.36	58,880.36
Charge for the year	-	0.44	0.29	410.35	72.93	2,861.07	45.02	156.57	87.77	3,634.45
Deductions during the year	-	-	-	2.31	-	3,385.29	19.01	109.98	22.02	3,538.61
Adjustments	-	-	-	-	-	(17.40)	(9.62)	27.02	-	-
As at 31.03.2013	-	7.79	6.27	7,297.87	1,448.81	47,947.09	535.81	1,407.44	325.11	58,976.19
Net block										
As at 31.03.2012	485.62	32.83	0.29	7,427.40	565.90	21,849.18	318.68	672.11	654.51	32,006.52
As at 31.03.2013	643.26	32.39	-	7,700.74	492.97	24,478.25	343.45	698.40	629.91	35,019.37

- Capital subsidy of ₹15.51 lacs has been received during the year ended 31st March 2013 from Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India (Refer note no: 53).
- Addition to Plant and Machinery includes addition of ₹433.91 lacs on account of cost of Insurance Spares not capitalised in earlier years. The said amount has been capitalised during the year. Depreciation for the year includes ₹431.07 Lacs for earlier years.
- In respect of a subsidiary of a joint venture (Paradeep Phosphates Limited), conveyance deed /patta have been executed for 2,104.05 acres (Zuari Agro Group's proportionate share 1,052.03 acres) against possession of 2,282.40 acres (Zuari Agro Chemicals Group's) proportionate share 1,141.20 acres) of land owned by the entity.
- In respect of a subsidiary company (Zuari Seeds Limited), vehicles of the cost of ₹2.15 lacs (previous year ₹2.15 lacs) is held in the name of person other than the subsidiary company.

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11.2 Intangible assets

(₹ in lacs)

Particulars	Software	Internally Generated Asset	Goodwill (as per scheme of amalgamation)	Total
Gross block As at 31.03.2011	–	–	–	–
Addition: Due to De-Merger Scheme (Refer note No. 46)	785.91	–	–	785.91
Addition on acquisition of Subsidiaries/Joint Ventures	312.00	283.04	576.57	1,171.61
Purchase	90.13	–	–	90.13
Deductions	–	10.00	–	10.00
As at 31.03.2012	1,188.04	273.04	576.57	2,037.65
Purchase	16.11	–	–	16.11
Deductions	–	–	–	–
As at 31.03.2013	1,204.15	273.04	576.57	2,053.76
Amortization As at 31.03.2011	–	–	–	–
Addition: Due to De-Merger Scheme (Refer note No. 46)	573.02	–	–	573.02
Addition on acquisition of Subsidiaries/Joint Ventures	279.73	125.08	120.12	524.93
Charge for the year	172.91	45.17	24.02	242.10
Deductions	–	–	–	–
As at 31.03.2012	1,025.66	170.25	144.14	1,340.05
Charge for the year	116.85	29.24	28.83	174.92
Deductions	–	–	–	–
As at 31.03.2013	1,142.51	199.49	172.97	1,514.97
Net block As at 31.03.2012	162.38	102.79	432.43	697.60
Net block As at 31.03.2013	61.64	73.55	403.60	538.79

In respect of a subsidiary company (Zuari Seeds Limited) goodwill, has been amortized during the year, pursuant to the scheme of Amalgamation approved by the High Court of Bombay at Goa (Panaji) in an earlier year. As per the order of the High Court of Bombay at Goa (Panaji), Goodwill needs to be amortized over a period of twenty years, without having regard to the Accounting Standard, subject to available surplus for the year before amortization of goodwill.

11.3 Pre-operative and Trial run expenses (pending allocation) (included under Capital Work in Progress)

(₹ in lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Opening Balance brought forward	73.56	–
Cost of raw materials consumed	5.55	–
Employee benefits expenses		
Salaries, wages and bonus	173.41	–
Staff welfare expenses	6.09	–
Other Expenses		
Stores and spares Consumed	2.07	–

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(₹ in lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Power and fuel	3.23	-
Insurance	25.58	-
Exchange differences (net)	307.75	-
Miscellaneous expenses	59.79	73.56
Borrowing Cost		
Interest expenses	239.89	-
Bank charges	247.30	-
Interest Income on Bank Deposits	(176.00)	-
Income Tax expenses		
Current Income Tax	52.63	-
Deferred Tax	(55.13)	-
SUB-TOTAL (A)	965.70	73.56
Less:		
Closing Stock of Finished Goods (Transferred to Note No.22)	3.67	-
SUB-TOTAL (B)	3.67	-
TOTAL (A-B)	962.05	73.56
Less: Allocated to Fixed Assets	(72.81)	-
Closing Balance carried forward	889.24	73.56

12. Loans and Advances

(Considered good unless otherwise stated)

(₹ in lacs)

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Capital advances				
Unsecured, considered good				
Related Parties (Refer Note no. 48 below)	2,543.07	253.89	-	-
Others	4,090.09	5,662.05	-	-
	6,633.16	5,915.94	-	-
Sales tax & entry tax deposits				
Unsecured, considered good	-	-	1,070.90	1,072.47
Doubtful	2.23	2.23	-	-
	2.23	2.23	1,070.90	1,072.47
Less: Provision for Doubtful Advances	2.23	2.23	-	-
	-	-	1,070.90	1,072.47

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(₹ in lacs)

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Security deposits				
Unsecured, considered good	466.26	723.76	248.50	131.56
Doubtful	–	29.72	–	–
	466.26	753.48	248.50	131.56
Less: Provision for Doubtful Advances	–	29.72	–	–
	466.26	723.76	248.50	131.56
Loans and advances to related parties				
Unsecured, considered good (Refer Note no. 48 and 28(v) below)	8,400.00	3,454.89	26.18	33.10
	8,400.00	3,454.89	26.18	33.10
Advances recoverable in Cash or Kind				
Unsecured, considered good				
Inter corporate deposits	–	–	2,000.00	2,000.00
Others	–	–	1,566.40	8,208.17
Doubtful	5.11	253.56	–	–
	5.11	253.56	3,566.40	10,208.17
Less: Provision for Doubtful Advances	5.11	253.56	–	–
	–	–	3,566.40	10,208.17
Other Loans and Advances				
Secured, considered good				
Loans to employees	99.66	142.19	35.73	46.24
Unsecured, considered good				
Loans to employees	226.79	257.51	57.88	67.22
MAT credit entitlement	32.38	30.52	–	–
Advance income tax (net of provision for income tax)	1,194.30	–	385.77	11.70
Prepaid expenses	–	–	198.63	399.91
VAT credit receivable	–	–	98.83	72.82
Balances with customs, port trust, excise authorities and other government authorities	–	–	1.23	1.79
	1,553.13	430.22	778.07	599.68
	17,052.55	10,524.81	5,690.05	12,044.98

(i) Loans to employees include

Due from Managing Director of the Parent Company	22.80	–	4.80	–
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- (ii) One of the joint venture (Zuari Rotem Speciality Fertilisers Limited) has till date recognised ₹ 32.38 lacs (upto 31st March 2012 :: ₹ 30.52 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 115 JAA 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 enable the joint venture to utilize the above MAT credit entitlement.

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13. Other Assets

(Unsecured, considered good unless otherwise stated)

(₹ in lacs)

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Interest accrued on GOI bonds, loans and advances and deposits	–	–	530.54	525.20
Interest receivable from customers	–	–	414.91	147.92
Interest accrued on Loans to employees	119.03	130.55	20.96	19.78
Claim receivable	–	–	654.78	–
Accrued non operating income				
– Related parties (Refer Note no. 48)	728.09	–	182.03	–
– Others	–	–	105.61	–
Unamortised premium on forward contracts*	–	–	1,800.30	4,214.92
PSI grant receivable (Refer Note no. 54(b))	–	–	21.43	–
Other receivable	–	–	658.11	–
Discarded fixed assets	–	–	1.38	1.39
	847.12	130.55	4,390.04	4,909.21
Fertilisers companies government of india bonds (net of dimunition)	–	–	21,210.20	20,147.90
Non current bank balances (Note 17)	13.89	10.12	–	–
	13.89	10.12	21,210.20	20,147.90
Total	861.01	140.67	25,600.24	25,057.11

- (i) * The unamortised foreign exchange premium on outstanding forward exchange contracts is being carried forward to be charged to Statement of Profit and Loss of subsequent year.
- (ii) Interest accrued on employee's loan include amount due from officer of the Company ₹ 9.51 lacs (including ₹ 5.77 lacs from the Managing Director of the Company (31st March 2012 : ₹ Nil), (31st March 2012 : ₹ Nil).
- (iii) Details of value of Fertiliser Companies' Government of India Special Bonds which are pledged as security towards borrowings are as follows:

₹ in lacs

Particulars	31st March 2013	31st March 2012
7% Fertilizer Companies's Government of India Special Bonds 2022	13,448.50	13,448.50
6.20 % Fertiliser Companies' Government of India Special Bonds 2022	2,571.28	2,571.28
6.65 % Fertiliser Companies' Government of India Special Bonds 2023	7,271.25	7,271.25
Sub total	23,291.03	23,291.03
Less: Diminution in the value of GOI Bonds	2,080.83	3,143.13
Total	21,210.20	20,147.90

(represents proportionate share of the Zuari Agro Chemicals Group, in respect of the subsidiary of the joint venture)
The aforesaid bonds have been valued at market rates published by Clearing Corporation of India Limited (CCIL).

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14. Current Investments

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Investments in Mutual Funds		
Unquoted Mutual Funds (Valued at lower of cost and fair value, unless stated otherwise) 5,212.265 @ 1000 each (31 March 2012: 5,29,679.25 @ ₹ 10each) Units of Reliance Liquid Fund – Treasury Plan–Institutional Option – Daily Dividend	77.41	80.98
Total	77.41	80.98
Net asset value of unquoted current Investment	77.41	80.98
Aggregate Amount of un Quoted Investments	77.41	80.98
Total	77.41	80.98

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

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Raw materials (includes in transit ₹ 4566.75 lacs (31st March, 2012 :: ₹ 4,167.81 lacs) and includes material lying with others ₹ Nil lacs (31st March, 2012 :: ₹ 83.86 lacs))	39,582.93	41,389.35
Packing materials (includes material lying with others ₹ 66.20 lacs (31st March, 2012 :: ₹ 49.42 lacs))	964.26	842.60
Work-in-progress	5,392.57	5,100.15
Finished goods (includes in transit ₹ 57.78 lacs (31st March, 2012 :: ₹ 1,063.18 lacs))	24,859.99	15,970.50
Traded goods (includes in transit ₹ 15.20 lacs (31st March, 2012 :: ₹ 9,077.81 lacs) and includes material lying with others ₹ 275.92 lacs (31st March 2012 :: ₹ 714.01 lacs))	14,426.17	32,782.59
Fuel oil	2,857.52	5,666.46
Stores and spares	6,220.25	5,932.94
Waste (Treated Gypsum)	41.55	1.11
Total	94,345.24	1,07,685.70

16. Trade receivables

(₹ in lacs)

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Secured, considered good	–	–	1,117.67	14.20
Unsecured, considered good (including subsidy receivable ₹ 52119.39 lacs (31st March 2012 :: ₹ 16,449.92 lacs))	–	–	56,102.66	16,569.54
Unsecured, considered doubtful	184.63	171.81	194.82	99.95
	184.63	171.81	57,415.15	16,683.69
Less: Provision for doubtful debts	184.63	171.81	194.82	99.95
(A)	–	–	57,220.33	16,583.74

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(₹ in lacs)

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Other receivables				
Secured by deposits held	–	–	3,652.08	4,357.91
Unsecured, considered good (including subsidy receivable ₹ 219754.21 lacs (31st March, 2012 ₹ 253,263.78 lacs)	–	–	3,73,121.45	3,53,491.83
(B)	–	–	3,76,773.53	3,57,849.74
Total	–	–	4,33,993.86	3,74,433.48

17. Cash and bank balances

(₹ in lacs)

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Cash and cash equivalents				
a. Balances with banks				
– On Current accounts	–	–	265.77	23,739.02
– On Cash credit accounts	–	–	15,818.74	10,032.30
– On Unpaid dividend accounts	–	–	4.72	–
– On Deposits accounts with original maturity less than three months	–	–	5,000.00	0.90
b. Cash on hand	–	–	3.24	2.23
	–	–	21,092.47	33,774.45
Other bank balances				
Deposits with original Maturity more than 3 months but less than 12 Months	–	–	63.33	50.00
Deposits with more than 12 months original maturity (pledged with sales tax authorities)	13.89	10.12	–	–
	13.89	10.12	21,155.80	33,824.45
Amount disclosed under non current assets (Refer Note no. 13)	(13.89)	(10.12)	–	–
Total	–	–	21,155.80	33,824.45

18. Revenue from operations

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Revenue from operations		
Sale of products		
Finished/Waste products	4,23,717.25	3,84,511.74
Traded products	3,66,837.79	4,40,057.32

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
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(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Other operating revenues		
Scrap Sales	235.38	202.84
Revenue from operations (gross)	7,90,790.42	8,24,771.90
Less : Excise duty	1,876.92	1,504.63
Revenue from operations (net)	7,88,913.50	8,23,267.27

- Sales of Finished Product and Traded Product include government subsidies. Subsidies include ₹ 8,501.77 lacs (31st March 2012 :: ₹ 2,094.75 lacs [including ₹ 2,580.03 lacs (31st March 2012 :: ₹ 1,285.65 lacs) in respect of a subsidiary of a joint venture (Paradeep Phosphates Limited) being proportionate share of Zuari Agro Chemicals Group]) in respect of earlier years, notified during the year.
- Stage III of the New Pricing Scheme (NPS) for Urea was in operation from 1st October, 2006 to 31st March , 2010. As per this scheme, all naphtha based units (including the company) were required to take steps for conversion to natural gas / liquefied natural gas by 31st March 2010. As per requirements of Stage III of NPS, Naphtha/Furnace Oil to Gas conversion at the plant at Goa was completed during Annual Turnaround in April 2011. However, the Gas was made available to the plant in the month of February 2013. Government of India vide notification dated 17th March, 2010 has extended till further orders the provisions of Stage III of NPS.
- Subsidy for Urea has been accounted based on Stage III parameters of the New Pricing Scheme and other adjustments as estimated in accordance with known policy parameters in this regard.
- Excise duty on sales amounting to ₹ 1876.92 lacs (31st March, 2012 :: ₹ 1,504.63 lacs) has been reduced from sales in Statement of Profit and Loss and excise duty on increase / decrease in stock amounting to ₹ 43.99 lacs (31st March, 2012 :: ₹ 15.26 lacs) has been considered as expense in financial statements.

19. Other income

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Interest Income on		
Bank deposits	108.48	561.91
Interest on Government of India Fertiliser Bonds	1,584.35	1,298.98
Intercorporate loans	361.07	60.16
Overdue debtors, employee loans etc.	1,318.48	1,091.60
Dividend Income on		
Current investments	1,236.59	1,214.34
Rent Income	93.10	66.33
Service Income - Staff deployment and other supports	2,291.81	–
Reimbursement of loss on sale of Fertilizer Companies Government of India Special fertilizer bonds	–	4,162.79
Reversal of charge of diminution in the value of Fertiliser Companies Government of India Special Fertiliser Bonds.	1,062.30	–
Excess provisions/unclaimed liabilities/unclaimed balances written back	1,969.24	365.63
Other non–operating income	124.11	450.23
Total	10,149.53	9,271.97

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
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20. Cost of Raw Materials consumed :

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Opening Stock	41,389.35	–
Inventory transferred on demerger from Zuari Global Limited (formerly known as Zuari Industries Limited) and acquisition of subsidiaries/joint ventures	–	49,626.39
Add : Purchases	3,18,697.90	2,84,118.25
Add : Transfer of Stock of Finished goods for captive consumption	–	3,142.79
Less : Stock of Raw material transfer to Traded goods	(152.21)	–
Less: Inventory at the end of the year	39,582.93	41,389.35
Cost of Raw Materials Consumed	3,20,352.11	2,95,498.08

21. Details of purchase of traded products:

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Traded goods purchase details		
Traded fertilisers:		
DAP	2,23,461.63	1,95,759.96
MOP	45,582.45	67,370.94
SOP	–	892.98
Phosphoric Acid	1,455.08	1,859.57
SSP	1,083.22	906.41
Speciality Fertilisers	4,605.79	3,440.64
NPK	21,388.98	1,11,518.76
Seeds	11.86	–
Ammonia	1,318.98	722.49
Pesticides	2,474.29	1,834.53
Others	320.79	78.96
Total	3,01,703.07	3,84,385.24

22. (Increase)/decrease in inventories

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Inventories at the end of the year		
Finished products	24,859.98	15,970.50
Traded products	14,426.17	32,782.59
Work-in-progress	5,392.57	5,100.15
Waste – Treated Gypsum	41.55	1.11
Less : Traded product transfer from Raw materials	(152.21)	–
Less : Trial run stock transfer	(3.67)	–
	44,564.39	53,854.35

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(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Opening Stocks [31st March 2012: Inventory transferred from Zuari Global Limited (formerly known as Zuari Industries Limited)]		
Finished products	15,970.49	13,283.60
Traded products	32,782.59	43,837.65
Work-in-progress	5,100.16	4,312.68
Waste Traded Gypsum	1.11	–
Less: Captive consumption	–	(3,142.79)
	53,854.35	58,291.14
Total	9,289.96	4,436.79

23. Employee benefit expense

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Salaries, wages and bonus	9,435.66	6,375.91
Contribution to provident and other funds (Refer Note: 45(iii) & (iv))	950.05	741.71
Gratuity (Refer Note: 43(i))	308.06	116.41
Post employment medical benefits (Refer Note: 45(ii))	69.51	9.07
Staff welfare expenses	1,930.02	1,483.18
Total	12,693.30	8,726.28

24. Other expenses

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Stores and spares consumed	1,657.34	532.53
Consumption of packing materials	4,066.81	3,639.76
Increase in excise duty and cess on stocks	43.99	15.26
Foundation seeds expenses	12.39	37.95
Power, fuel and water	40,043.72	27,653.53
Bagging and other contracting charges	3,872.24	3,612.71
Outward freight and handling	36,200.06	33,836.37
Rent	3,659.31	887.49
Lease rentals	310.12	96.77
Rates and taxes	256.45	170.79
Insurance	744.96	387.89
Repairs and maintenance		
Plant & machinery	6,105.71	4,885.04
Buildings	557.59	337.07
Others	619.43	651.09
	7,282.73	5,873.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
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(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Cash rebate	2,124.77	338.03
Project expenses written off (shelved Project)	100.52	-
Subsidy claims written off	23.77	44.78
Diminution in the value of Fertiliser Companies' Government of India Bonds	-	222.61
Bad debts, claims and advances written off	25.07	40.20
Less: Adjusted against provision	(16.74)	(28.24)
	8.33	11.96
Provision for doubtful debts, claims and advances	118.60	72.60
Premium on foreign exchange forward cover	2,607.85	4,658.23
Loss on fixed assets sold/discarded (net)	177.12	154.62
Exchange differences (net)	762.37	6,745.52
Miscellaneous expenses	7,292.86	5,614.77
Total	1,11,366.30	94,607.37

25. Depreciation and amortisation expense

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Depreciation of tangible assets	3,634.44	2,621.88
Amortization of intangible assets	174.92	242.10
Total	3,809.36	2,863.98

26. Finance costs

(₹ in lacs)

Particulars	31st March 2013	31st March 2012
Interest expense (including interest on income tax reversal ₹ 11.58 lacs (31st March 2012 :: interest on income tax of ₹ 147.02 lacs))	15,568.02	6,786.91
Foreign exchange variation on buyers credit to the extent considered as an adjustment to borrowing cost	13,780.78	6,635.63
Bank charges	985.66	1,854.03
Total	30,334.46	15,276.57

27. List of Subsidiaries and Joint Ventures considered for Consolidation:

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

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at March 31, 2013	Proportion of Ownership Interest as at March 31, 2012
Zuari Seeds Limited	India	100.00%	100.00%
Zuari Fertilisers and Chemicals Limited	India	100.00%	100.00%

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

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at March 31, 2013	Proportion of Ownership Interest as at March 31, 2012
Zuari Maroc Phosphates Limited (consolidated including its 80.45% subsidiary - Paradeep Phosphates Limited) (w.e.f June 27, 2011)	India	50.00%	50.00%
Zuari Rotem Speciality Fertilizers Limited (ZRSFL)	India	50.00%	50.00%

During the previous year, Zuari Agro Chemicals Group had acquired stake in Zuari Seeds Limited, Zuari Fertilisers and Chemicals Limited (resulting in these companies becoming 100% subsidiary of Zuari Agro Chemicals Limited) and, Zuari Maroc Phosphates Limited and Zuari Rotem Speciality Fertilisers Limited (resulting these companies becoming joint venture companies of Zuari Agro Chemicals Limited). The aforesaid acquisitions had effect of increase in assets and liabilities by ₹ 183,425.35 lacs and ₹ 113,236.67 lacs respectively and increase in results by ₹ 8,348.29 lacs in Consolidated Financial Statements during the previous year ended March 31, 2012.

28. Contingent Liabilities (Not provided for) and capital and other commitments:

a) Contingent liabilities

(₹ in lacs)

Particulars	As at March 31, 2013		As at March 31, 2012	
	Parent company & its subsidiaries	*Joint ventures	Parent company & its subsidiaries	*Joint ventures
I. Demands / Claims from Government Authorities **				
(A) Demands from Income Tax Authorities				
i) Income Tax Department has filed an appeal before Hon'ble Supreme Court against the Company towards penalty for the Assessment year 2004-05, but disputed by the company.	-	324.38	-	-
ii) The Income Tax Department has raised a demand of ₹ 1,18,706.75 lacs (being proportionate share of the Zuari Agro Chemicals Group) (formerly known as the Zuari Holdings Group) for the financial year 2008-09 under Section 143 (3) of the Income Tax Act, 1961 vide order dated 15th March, 2013. The demand is mainly on account of disallowance of purchases of imported materials, consequent upon erroneous application of TDS provision on foreign payments u/s 195 of the Income Tax Act, 1961 by the assessing authority. In view of the management, TDS provisions are not applicable on foreign payments for purchase of materials, which is also supported by the recent Supreme Court decision in the matter of GE India Technology Centre P. Ltd v CIT(327 ITR 456). Paradeep Phosphates Limited has already filed an application for rectification of mistakes apparent from the record under Section 154 and preferred an appeal before the Appellate Authority. Also, an application has been filed before the Assessing Officer to stay the aforesaid demand and accordingly, not to treat the Subsidiary of the Joint venture as an assessee in default under Section 220 (6) of the Income Tax Act, 1961. In view of the above and also on the basis of legal opinion obtained by the company, the management is confident that the demand would be quashed at the higher Appellate forums. However, Joint Commissioner of Income Tax (Assessing Officer) has granted stay on 25th April, 2013 on payment of ₹ 20 crores (being proportionate share of the Zuari Agro Chemicals Group) (formerly known as the Zuari Holdings Group) in four monthly instalments till the disposal of the pending appeal before CIT (A) or till 1st October, 2013 whichever expires earlier.	-	116,680.42	-	-

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(₹ in lacs)

Particulars		As at March 31, 2013		As at March 31, 2012	
		Parent company & its subsidiaries	*Joint ventures	Parent company & its subsidiaries	*Joint ventures
(B) Demands from Sales Tax and Other Authorities					
i)	Sales tax demand for the year 2007-08 in Uttar Pradesh Region was stayed by the Hon'ble Allahabad High Court. The Appellate Authority rejected the appeal filed by Paradeep Phosphates Limited which has now filed an appeal before the Sales Tax Tribunal and the matter is pending for hearing.	-	45.31	-	45.31
ii)	Demand notice from Karnataka Sales Tax Authorities (VAT) for levying penalty on Professional tax for the years 2005-06 to 2008-09. The Parent Company has filed appeal before Joint Commissioner of Commercial Taxes (Appeals), Bangalore, against the same. Based on the revised demand notice penalty proceedings for the year was disposed off with the penalty of ₹ 44.82 lacs, which has been paid and charged off by the Parent Company.	-	-	42.56	-
iii)	Demand notice from Commercial Tax Department, towards non submission of "F Form" for the year 2007-08. The Parent Company has filed for stay in High Court of Andhra Pradesh. Based on the revised proceedings, a revised demand notice for ₹ 0.33 lacs was issued. The same was paid and charged off by the Parent Company	-	-	15.96	-
iv)	Odisha Sales Tax Authority demanded entry tax on sale of finished goods i.e. fertilizer. The matter was remanded to the original authority for fresh assessment by the Appellate Authority as fertilizer is a non scheduled goods under the Odisha Entry Tax Act. The matter is pending before the original authority for further hearing.	-	36.77	-	36.77
v)	In respect of a subsidiary of a joint venture, branch transfers and export sales were disallowed and considered as inter state sales.				
	(a) The matter was disposed off by the Additional Commissioner of Sales Tax (Appellate Authority) in the previous year confirming the original demand of Assistant Commissioner of Sales Tax. However, the Commissioner of Commercial Taxes granted stay at the March end of last year on payment of ₹10 crores [being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)] till the disposal of the case by the Tribunal. The matter is pending with Tribunal. Further, the matter was also referred to Supreme Court by means of an Interlocutory Application. The Hon'ble Supreme Court vide order dated 30th April, 2012 clarified for hearing of the preliminary issue of jurisdiction involved in the Appeal at a priority	-	5,210.26	-	5210.26
	(b) The matter is pending before the Appellate Authority in connection with the branch transfer for which stay has been obtained.	-	28.18	-	28.18
vi)	Odisha Sales Tax Authority levied penalty on Entry Tax on account of Custom Duty. Paradeep Phosphates Limited has filed an appeal before the Appellate Authority against such demand which is yet to be disposed off.	-	32.55	-	32.55
vii)	Countervailing Duty (CVD) paid and refund claimed on import of MOP for trading purpose.	-	28.84	-	28.84

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(₹ in lacs)

Particulars		As at March 31, 2013		As at March 31, 2012	
		Parent company & its subsidiaries	*Joint ventures	Parent company & its subsidiaries	*Joint ventures
viii)	Subsidiary of joint venture has stopped payment of Entry Tax on imported goods since September 2007 based on the interim stay order given by the Hon'ble Odisha High Court. Further the Hon'ble high Court based on the direction of the Hon'ble Supreme Court declared that the levy of Entry Tax is not compensatory in nature in the case where the Company was a party vide its order dated 17th January, 2008 and forwarded its finding to the Apex Court. The matter of applicability of entry tax is now lying with the larger bench of Hon'ble Supreme Court. In the mean time, based on legal advice, the Company filed a transfer petition before the Hon'ble Supreme Court praying for transfer of the matter relating to the entry tax on imported goods to the Hon'ble Supreme Court from Hon'ble High Court. The Hon'ble Apex Court vide order dated 2nd July, 2012 granted an interim stay to the Company by restraining the revenue authorities from taking any coercive measure. However the interest on entry tax on imported goods computed by the Company as per prevailing interest rate is disclosed here. The management is of the view that since there is no demand in respect of Entry Tax on imported materials, interest liability will not arise.	-	1,754.51	-	-
ix)	VAT Demand for the year 2005-06 in Bihar region on account of VAT Assessment. The demand is stayed by the Appellate Authority on deposit of ₹ 10 lacs (being proportionate share of Zuari Agro Chemicals Group) (formerly known as Zuari Holdings Group).	-	18.85	-	-
x)	Excise demand at Begusarai for the year 2008-09 and 2009-10. The demand is raised on account of bagging of gypsum	-	11.35	-	-
xi)	Demand Notice from Commercial Tax Department, Jaipur towards non submission of "F Form" for the year 2010-11.	27.46	-	-	-
II. Other claims against the Company not acknowledged as debts**					
(i)	Penal interest on loan from Government of India, due to delay.	-	172.22	-	172.22
(ii)	Industrial Dispute and Miscellaneous Labour cases pending at various forums at different stages of dispute.	-	400.80	-	382.65
(iii)	Interest on electricity duty on captive power generation	-	129.79	-	75.89
(iv)	Others	151.17	9.48	-	8.36

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

** Based on discussions with the solicitors/ favorable decisions in similar cases/ legal opinions taken by the Company, the management does not expect these claims to succeed and hence, no provision there against is considered necessary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
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₹ in lacs

Particulars		As at March 31, 2013		As at March 31, 2012	
		Parent company & its subsidiaries	*Joint ventures	Parent company & its subsidiaries	*Joint ventures
III.	Aggregate amount of guarantees issued by the banks to various Government Authorities and Others***	6,271.50	-	12,485.56	-

*** Bank guarantees of ₹ 6,256.96 lacs (previous year ₹ 12,477.71 lacs) in respect of Parent Company, are secured by a charge created by way of hypothecation on the current assets, both present and future, wherever situated pertaining to the Company and the Company's present and future book debts outstanding, moneys receivable, claims, bills, contracts, engagements, rights and assets.

₹ in lacs

Particulars		As at March 31, 2013		As at March 31, 2012	
		Parent company & its subsidiaries	*Joint ventures	Parent company & its subsidiaries	*Joint ventures
b)	Estimated amount of contracts remaining to be executed on capital account not provided for	6,516.52	27,192.42	8,553.05	2,625.59

c) Other Commitments

- (i) The Parent Company has entered into an agreement for purchase of equity shares of MCA Phosphates Pte. Ltd. (MCA) from Zuari Global Limited (ZGL), at a price to be determined, which will not be less than the book value of these shares. However, the sale of these shares is subject to approval of other joint venture partner in MCA. The Company has paid ₹ 8,400 lacs to ZGL as advance against purchase of these shares, which is included in Advances to Related Parties in Note 12.
- (ii) A subsidiary of a Joint Venture has entered into an agreement dated 4th August, 2011 with International Finance Corporation (IFC), Washington, USA for External Commercial Borrowing (ECB) of USD 25 million (₹ 13,597.33 lacs) [being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)] in connection with its expansion project. Out of which, loan of USD 10 million (₹ 5,438.93 lacs) [being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)] was availed during the year 2012-13. In the absence of permission from Industrial Development Corporation of Odisha (IDCO) for mortgaging leasehold land, balance amount of loan of USD 15 million (₹ 8,158.40 lacs) [being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)] could not be disbursed by IFC during the year. The matter is under consideration by IDCO based on the guidelines of Government of Odisha and other parameters. The Subsidiary of the Joint Venture is pursuing the matter with IFC for waiver of charges on account of delay in mortgaging which is beyond the control of the Subsidiary of the Joint Venture and further disbursement of the balance loan amount of USD 15 million (₹ 8,158.40 lacs) [being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)]. The Subsidiary of the Joint Venture has so far transferred a sum of ₹ 68.69 lacs [being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)] towards commitment charges on undischursed amount to capital work in progress as part of expansion project. The Subsidiary of the Joint Venture is hopeful that they will get favourable response from IFC. The Subsidiary of the Joint Venture has paid all the dues within stipulated dates against the invoices raised by IFC.

29. Goodwill/Capital Reserve on consolidation

(a) Goodwill (on Consolidation)

The Goodwill in the Consolidated Financial Statements represents the excess of the purchase consideration of investment over the Parent Company's share in the net assets of its subsidiaries – Zuari Seeds Limited and Zuari Fertilisers and Chemicals Limited.

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(₹ In lacs)

Investment in		Particulars	31.03.2013	31.03.2012
1.	Zuari Seeds Limited	(a) Cost of Investment	1,417.60	1,417.60
		(b) Parent Company's share in the net assets	(377.78)	(377.78)
Sub-Total (1)		Goodwill (a-b)	1,795.38	1,795.38
2.	Zuari Fertilisers and Chemicals Limited	(c) Cost of Investment	5.00	5.00
		(d) Parent Company's share in the net assets	(32.60)	(32.60)
Sub-Total (2)		Goodwill (c-d)	37.60	37.60
Total (1+2)		Total Goodwill (1+2)	1,832.98	1,832.98

- (i) The Group has recognized and is carrying forward a goodwill of ₹ 1795.38 lacs (Previous year ₹ 1795.38 lacs) in respect of Zuari Seeds Limited, a wholly owned subsidiary of the Group. Based on the financial statement of the subsidiary, its net worth is substantially lower than the Company's investment in this company.
- (ii) Goodwill in other company has been tested for impairment using the Cash Flow projections, which are based on most recent financial budgets / forecasts approved by the management.

(b) Capital Reserve (on Consolidation)

The Capital Reserve in the Consolidated Financial Statements represents the excess of the Zuari Agro Chemicals Limited's (formerly known as Zuari Holdings Limited) share in the net assets of its joint ventures (Zuari Maroc Phosphates Limited and Zuari Rotem Speciality Fertilisers Limited) over the purchase consideration of investment.

₹ in lacs

Investment in		Particulars	31.03.2013	31.03.2012
1.	Zuari Maroc Phosphate Limited	(a) Parent Company's share in the net assets	53,282.40	53,282.40
		(b) Cost of investments	17,981.62	17,981.62
		(c) Adjustment of Goodwill appearing in joint venture's consolidated accounts	18,029.27	18,029.27
Sub-Total (1)		Capital Reserve (a-b-c)	17,271.51	17,251.51
2.	Zuari Rotem Speciality Fertilisers Limited	(a) Parent Company's share in the net assets	438.83	438.83
		(b) Cost of investments	345.75	345.75
Sub-Total (2)		Capital Reserve (a-b)	93.08	93.08
Total (1+2)		Total Capital Reserve	17,364.59	17,364.59

30. Earnings Per Share (EPS):

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Profit after taxation as per Statement of Profit and Loss (₹ in lacs)	6,429.88	16,441.78
Weighted average number of shares used in computing earnings per share – Basic and Diluted (Nos.)	42,058,006	33,316,619*
Earnings per share – Basic (in Rupees)	15.29	49.35
Face value per share (in Rupees)	10.00	10.00

* including 29,440,604 equity shares appearing under Equity Suspense account.

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31. The Revenue Department of the Government of Goa has issued a notification under sub-section (1) of Section 4 of the Land Acquisition Act, 1984 on 5th February, 2007 and further notification on 19th April, 2007 proposing to acquire 1,59,700 sq. mts. of the land belonging to the Parent Company for public purpose. The Parent Company has filed an appeal with the High Court of Bombay at Goa against the notification. The High Court has asked status quo to be maintained on the land acquisition proceedings.

32. Particulars of Foreign Currency Exposures:

Forward Contracts outstanding as at the Balance Sheet Date (for the Parent Company and its subsidiaries):

Details of Derivatives	31.03.2013	31.03.2012	Purpose
Buy (Amount in USD)	142,334,967	577,013,319	To hedge the purchases of raw materials and traded goods and buyers credit

Forward Contracts outstanding as at the Balance Sheet Date for the joint venture entities (being the proportionate share of Zuari Agro Chemicals Group (formerly known as Zuari Holdings Group)):

Details of Derivatives	31.03.2013	31.03.2012	Purpose
Buy (Amount in USD)	110,972,774	31,809,006	To hedge the purchases of raw materials and traded goods

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

Nature of Exposure	Outstanding amount in foreign currency as at 31.03.2013	Outstanding amount in foreign currency as at 31.03.2012	Foreign currency Involved
Trade Payables	37,965,419	9,246,877	USD
	20,649.13	4,730.38	INR (₹ In lacs)
Trade Payables	46,984	–	EURO
	32.67	–	INR (₹ In lacs)
Claims receivable	727,484	1,867,016	USD
	395.67	955.10	INR (₹ In lacs)
Trade Receivables	14,400	15,600	USD
	7.83	7.98	INR (₹ In lacs)
Accrued Interest	673,761	1,504,680	USD
	366.45	769.74	INR (₹ In lacs)
Borrowings	58,597,395	–	USD
	31,870.71	–	INR (₹ In lacs)
	1 USD = 54.3893 INR 1 EURO = 69.5438 INR	1 USD = 51.1565 INR	Exchange Rate

Unhedged foreign currency exposures as at the Balance Sheet Date for the joint venture entities (being the proportionate share of Zuari Agro Chemicals Group (formerly known as Zuari Holdings Group)):

Nature of Exposure	Outstanding amount in foreign currency as at 31.03.2013	Outstanding amount in foreign currency as at 31.03.2012	Foreign currency Involved
Trade Payables	7,185,753	39,621,710	USD
	3,908.28	20,269.08	INR (₹ In lacs)
Interest Accrued but not due on Borrowings	379,204	20,506	USD
	206.25	10.49	INR (₹ In lacs)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
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Nature of Exposure	Outstanding amount in foreign currency as at 31.03.2013	Outstanding amount in foreign currency as at 31.03.2012	Foreign currency Involved
Advances to Suppliers	16,354	624,730	USD
	8.89	319.59	INR (₹ In lacs)
Foreign Currency Loan from financial institution including interest accrued but not due and commitment fees	10,223,990	–	USD
	5,560.76	–	INR (₹ In lacs)
Suppliers Credit	9,373,489	–	USD
	5,098.18	–	INR (₹ In lacs)
	1 USD = 54.3893 INR 1 EURO = 69.5438 INR	1 USD = 51.1565 INR	Exchange Rate

33. Operating Leases:

- The Parent Company has obtained office premises, apartments and warehouses and vehicles on operating leases for the period upto 6 years. In all cases, the agreements are further renewable at the option of the Parent Company except in the case of vehicle lease agreements. There is escalation clause in the respective lease agreements except on vehicle lease. All the 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 ₹ 2,591.65 lacs (previous year ₹ 762.95 lacs).
- In case of a subsidiary, operating leases are mainly in the nature of lease of office premises and godowns with no restrictions and are renewable / cancellable at the option of either of parties. There are no subleases. The aggregate amount of operating lease payments recognized in the Statement of Profit and Loss is ₹ 113.54 lacs (previous year ₹ 104.87 lacs).
- In case of a Joint Venture, Office premises and residential premises is obtained on operating lease. Office premises are on rent for 35 months and residential premises is on rent for 33 months. The Agreement has an escalation clause to the effect that at the end of each year, the monthly rent shall stand increased by 5% of the last paid rent. However, the minimum lock in period is only around 6 months. The company has also obtained 2 vehicles on lease having lease period of 48 months. The total of future minimum lease payments under operating leases for each of the following periods are:

(₹ In lacs)

Particulars	2012-13	2011-12
Lease payments for the year	7.17	–
Payable for a period not later than one year	10.00	–
Payable for a period later than one year and not later than 5 years	17.41	–
Payable for the period later than 5 years	–	–

Figures given in respect of Joint ventures represent proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group).

- In case of Subsidiary of a Joint Venture, rent expense included in Note 24, represents expenses incurred in respect of only cancellable operating leases relating to premises (residential, office etc.) which are renewable by mutual consent.
- 34.** In respect of a subsidiary, trade payables include amount payable to a party amounting to ₹ 38.34 lacs (Previous year ₹ 38.34 lacs) towards royalty which has been outstanding for a period of more than three years. Requisite approvals under the provisions of Foreign Exchange Management Act, 1999 have not been obtained from the RBI for the extension of the period. Management is confident that the penalties, if any, that may arise on account of such non-compliance would not be material.
- 35.** (a) The subsidiary of a Joint Venture entity in an earlier year had received an Arbitration Award in its favour in the matter of Cargo Charges Tariff dispute with Paradeep Port Trust (PPT) for the years 1993 - 1999. PPT in earlier year had appealed with the higher authorities against such award which was confirmed by the Appellate Authority. However, as against the above order, the PPT had gone into further appeal with the Hon'ble High Court of Odisha, which in its interim order has directed the company not to execute award at this stage. The company has not given any impact of aforesaid in the Statement of Profit and Loss.

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- (b) Paradeep Port Trust (PPT) proposed a revision in scale of rates applicable to the Subsidiary of a Joint Venture for cargo handling in the company's captive berth w.e.f. 1st April, 1999. The matter was referred to Tariff Authority of Major Ports (TAMP) on mutual consent of the parties under the direction of Hon'ble High Court of Odisha. During the previous year, TAMP had finalized the rates but PPT had not agreed with the order and filed a writ petition before the High Court of Odisha against the said order. Pending disposal of the case, the company has not recognised the amount receivable from PPT towards the excess amount paid over the applicable TAMP order. However, based on the legal opinion, the additional provision amount of ₹ 1564.19 lacs [being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)] created in earlier years on the basis of PPT's earlier demand has been written back to the Statement of Profit and Loss of the current year.
36. In case of a subsidiary of a joint venture, the Land Policy of Port land has been revised as per the Land Policy Guidelines issued by the Ministry of Shipping, Government of India. Pursuant to the said Policy and pending outcome of negotiation with Paradeep Port Trust, the company has made provision towards ground rent, interest and taxes amounting to Rs 649.53 lacs (including Rs 63.22 lacs for the current year) [being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)] against the demand raised by Paradeep Port Trust.
37. In respect of a subsidiary of a joint venture entity, in terms of meeting for amicable settlement of dispute for additional compensation to the land losers, under the chairmanship of the Collector and District Magistrate, Jagatsinghpur, it was decided to pay additional compensation at the rate fixed to the claimants through the Special Land Acquisition Officer (Spl. LAO), Government of Odisha. Since the disbursement process to land losers has started in the financial year 2010-11 through Spl. LAO, the company accounted for total estimated liability of Rs 283.01 lacs (including interest of Rs 209.01 lacs) (being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)) during the financial year 2010-11. The outstanding liability as on 31st March, 2012 stands at Rs 223.74 lacs (being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)) after making payment to Spl. LAO.
38. In respect of parent Company the shutdown of DAP/ Complex fertilizers plants was undertaken from December 4, 2012. The DAP/ Complex fertiliser plants' operations continue to remain suspended and shall start once the market situation improves. Further, Ammonia/Urea plants are under shutdown from March 24, 2013 onwards for scheduled annual turnaround.
39. In respect of a Joint Venture, the company has not appointed a Company Secretary as required under Section 383A of the Companies Act, 1956 ("the Act") for the period from 1st November, 2012 to 31st March, 2013 and is accordingly not in compliance with the provisions of Section 383A of the Act. The company is in the process of taking the necessary steps to comply with the provisions of the Act.
40. In respect of a subsidiary of the joint venture, Employees' State Insurance Corporation (ESIC) raised various demands from PPL in respect of both Contract Labours and Employees in earlier years, which were contested by PPL in various Courts and Authorities. The company has during the year written back the excess provision amount based on present status of cases and continued with the balance provision amount as reflected in Note no. 9.
41. In case of Parent Company and a subsidiary of a joint venture, Government of India, Ministry of Chemicals & Fertilizers, Department of Fertilizers vide its Office Memorandum dated 23rd July, 2012 has finalized the rates applicable for claiming the freight subsidy relating to secondary movement and direct road movement for Phosphatic and Potassic fertilizers from 1st April, 2008 to 31st March, 2010. Final rates for the subsequent period have not been announced so far. The companies have accrued a total income on estimated basis of ₹ 1,851.40 lacs (after adjusting liability of ₹ 451.14 lacs in respect of subsidiary of a joint venture, (being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)) upto 31st March, 2012 by considering the rates applicable for 2009-10.
42. In respect of subsidiary of a Joint Venture, in order to rationalise bagging operation cost, the company had agreed to bear the cost of the Voluntary Separation Scheme (VSS) introduced by M/s Orissa Stevedores Limited (OSL) bagging contractor for contract labours. The total amount incurred by the company including all liabilities on this account is ₹ 488.25 lacs (being the proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)). The scheme has been accepted by 190 persons out of which payment has been made to 180 persons.
43. (a) In respect of one of the subsidiary (Zuari Seeds Limited), it has accumulated losses of ₹ 1,678.79 lacs as at March 31, 2013 (Previous year ₹ 1,696.31 lacs) resulting in complete erosion of net worth. Based on the future projections of the company and releasing of new products, management is confident that the company will be able to generate sufficient profits in future years. As such, the financial statements of that company are prepared on a going concern basis.
- (b) In respect of one of the subsidiary (Zuari Fertilisers and Chemicals Limited), though the balance sheet shows a negative networth, the accounts have been prepared on going concern basis, keeping in view of the going planning and activities to setup new projects.

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44. In respect of a subsidiary, capital work in progress-consultancy and other expenses includes ₹ 177.95 lacs incurred for a technical study (report) for Ammonia Plant at Belgaum, which stands shelved. The management is of the view that the study prepared by the consultants will be directly useful in the furtherance of any new project under consideration and accordingly the expenditure is carried forward.

45. Employee Benefits

(i) The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

In respect of the Parent Company, one of the subsidiary, and a subsidiary of joint venture, scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

Statement of Profit and Loss

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

(₹ in lacs)

Particulars	Funded		Unfunded	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Current Service Cost	402.97	235.98	1.78	-
Adjustments to opening balance of Plan Assets	-	(1.46)	-	-
Interest cost on benefit obligation	284.51	103.80	0.22	-
Expected return on plan assets	(320.12)	(181.65)	-	-
Net actuarial (gain)/loss recognized in the year	(320.88)	(43.01)	(0.69)	-
Past Service Cost (Vested Benefits)***	253.18	-	-	-
Effect of limit Para59(b) of AS-15-R	-	(1.00)	-	-
Net benefit expense*	299.66	112.67	1.31**	-

* Excluding ₹5.92 lacs (Previous Year ₹ Nil) in respect of the Parent Company for Gratuity Expense transferred to other company, ₹ 0.56 lacs (previous year ₹ 1.46 lacs) in respect of joint venture (Zuari Rotem Speciality Fertilisers Ltd) and ₹ Nil (previous year ₹ 2.28 lacs) in respect of a subsidiary (Zuari Fertilisers and Chemicals Ltd) has computed the provision on actual computation basis. (refer note 'c' below).

** in respect of Subsidiary (ZFCL), provision made on actual basis at the end of previous year has been considered as opening actuarial valuation, consequently an amount of ₹ 0.60 lacs has been charged to Statement of Profit and Loss.

*** Due to enhancement of gratuity limit from ₹ 10.00 lacs to ₹ 25.00 lacs.

Balance sheet

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

(₹ in lacs)

Particulars	Funded		Unfunded	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Present Value of Defined benefit obligation	4,030.99	3,736.53	3.33	-
Fair value of plan assets	3,731.09	3,635.16	-	-
Plan assets/(liability)	(299.90)	(101.38)	(3.33)	-
Experience (gain)/loss on obligation	(144.56)	(32.48)	-	-
Experience gain/(loss) on plan assets	(7.48)	15.81	-	-

* Excluding ₹ 0.83 lacs (previous year ₹ 1.06 lacs) in respect of Joint Venture (Zuari Rotem Speciality Fertilisers Ltd.) and ₹ Nil (previous year ₹ 2.80 lacs in respect of subsidiary Company (Zuari Fertilisers and Chemicals Ltd.) has computed the provision on actual computation basis. (refer note 'c' below)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
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Changes in the present value of the defined benefit obligation for the year ended March 31, 2013 are as follows:

(₹ in lacs)

Particulars	Funded		Unfunded	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Opening defined benefit obligation	3,736.53	–	2.80	–
Transfer on Acquisition of stake in Subsidiaries/Joint Ventures	–	1,359.33	–	–
Interest cost	284.51	103.80	0.22	–
Current service cost	402.97	235.98	1.77	–
Service Cost (Transfer in)	–	2,290.03*	–	–
Past Service cost (vested benefit)	253.18	–	–	–
Benefits paid	(319.09)	(225.41)	(0.77)	–
Actuarial (gains)/losses on obligation	(327.11)	(27.20)	(0.69)	–
Closing defined benefit obligation	4,030.99	3,736.53	3.33	–

* Obligation arising due to Demerger

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

(₹ in lacs)

Particulars	Gratuity (Funded)	
	31.3.2013	31.3.2012
Opening fair value of plan assets	3,635.15	–
Transfer on Acquisition of stake of subsidiaries/Joint Ventures	–	1,337.72
Adjustment to opening balance	(0.04)	1.46
Direct contribution paid by the Enterprise	–	0.70
Expected return on plan asset	319.25	180.28
Contributions by employer	101.17	33.21
Service cost(Transfer in)	–	2,290.03*
Benefits paid	(319.09)	(224.72)
Actuarial gains/(losses)	(5.35)	17.18
Direct benefits paid by the Enterprise	–	(0.70)
Closing fair value of plan assets	3731.09	3,635.15

- 1) Parent company expects to contribute ₹ 275.28 lacs (Previous year: ₹ 81.93 lacs) towards gratuity during the year 2013-14.
- 2) The subsidiary of a joint venture (PPL) expects to contribute ₹ 57.50 lacs (being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)) to the gratuity fund during 2013-14.
- 3) The subsidiary (ZSL) expects to contribute ₹ 24.62 lacs to gratuity fund for the year ending 31st March, 2014.

*Obligation arising due to demerger.

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:

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

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

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

Particulars	2012-13	2011-12
Discount Rate	7.00% - 8.00%	7.00% - 8.40%
Expected rate of return on plan assets	8.50% - 9.45%	8.50% - 9.45%
Increase in Compensation cost	6.00% - 10.00%	7.50% - 12.00%
Employee turnover	0.50% - 6.00%	0.50% - 5.00%

- 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 the parent company, the current year being the second year of adoption of AS 15 (Revised) by the Company, disclosures as required by Para 120 (n) (i) of Accounting Standard 15 (Revised) have been furnished only for two years.
- c) In the case of a joint venture (Zuari Rotem Speciality Fertilisers Limited), the company has not performed any separate actuarial valuation for arriving at the Gratuity liability of the Gratuity Scheme as at March 31, 2013 as the number of employees of the Company's as at and for the year ended March 31, 2013 was below 50. These liabilities as at March 31, 2013, as reflected in the financials, have been determined on gross undiscounted basis.
- (ii) The following table summarizes the present value of obligation relating to long term post retirement medical benefit which is unfunded, in respect of a subsidiary of a joint venture. The information regarding the plan assets has not been furnished as the Company has not created any assets for the given obligation.

Statement of Profit and Loss

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

(₹ in lacs)

Sr. No.	Particulars	2012-13	2011-12
1	Current Service Cost	9.20	2.62
2	Interest Cost on benefit obligation	10.78	2.98
3	Expected Return on plan assets	-	-
4	Net Actuarial (Gains)/ Losses recognized in the year	49.53	3.47
5	Past Service Cost	-	-
6	Net Benefit Expense	69.51	9.07

Balance Sheet

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

(₹ in lacs)

S. No.	Particulars	2012-13	2011-12
1	Present value of Defined Benefit Obligation as at 31st March 2013	195.04	131.08
2	Fair Value of Plan Assets as at 31st March, 2013	-	-
3	Un recognised Past service cost	-	-
4	Un recognised past service cost – non-vested benefits	-	-
5	Net(Asset)/ Liability as at 31st March, 2013	195.04	131.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
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Changes in the present value of the defined benefit obligation for the year ended March 31, 2013

(₹ in lacs)

S.No.	Particulars	2012-13	2011-12
1	Present value of Obligation at the beginning of the year	131.08	–
2	Transfer on Acquisition of stake of subsidiaries/Joint Ventures	–	125.06
3	Current Service Cost	9.20	2.62
4	Interest Cost	10.78	2.98
5.	Past service cost – non-vested benefits	–	–
6.	Past service cost – vested benefits	–	–
7	Benefits paid by the Company	(5.55)	(3.05)
8	Actuarial (Gains)/Losses on obligation	49.53	3.47
9	Present Value of Defined Benefit Obligation at the end of the year	195.04	131.08

The principal assumptions used in determining liability are shown below:

S. No.	Particulars	2012-13	2011-12
1	Discount Rate	7.90%p.a.	8.40%p.a.
2	Rate of increase in salary	10%p.a.	12%p.a.
3	Withdrawal Rate	6%p.a.	5%p.a.
4	Medical cost escalation rate	3%p.a.	3%p.a.
5	Mortality retirement	LIC (1994-96) Ultimate Mortality Table	LIC (1994-96) Ultimate Mortality Table

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.

(iii) Provident Fund

The Parent Company and a subsidiary of joint venture company has set up provident fund trust, which are managed by respective Companies. As per the Guidance 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. The actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuary society.

In case of other companies in the group they do not have provident fund trust, there the Provident fund is a define contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contribution to the funds is due. The companies do not have any other obligation other than contribution made to the fund. The companies have no obligation, other than the contribution payable to the fund. The 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.

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 in respect of provident fund trust.

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Statement of Profit and Loss

(₹ in lacs)

Particulars	2012-13	2011-12
Current Service Cost	445.33	337.59
Interest Cost	–	–
Net Liability	–	47.42
Net Benefit Expense/(Income)	445.33	385.01

Balance Sheet

Funding Status and amount recognized in the Balance Sheet

(₹ in lacs)

Particulars	2012-13	2011-12
Defined benefit obligation	14681.02	13782.11
Fair value of plan assets	14799.47	13734.69
Plan asset* / (Liability)	118.45	(47.42)

* Plan asset has not been recognized in the financial statement, as the surplus of the trust is distributable among the beneficiaries of the provident fund trust.

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

(₹ in lacs)

Particulars	2012-13	2011-12
Opening defined benefit obligation	13782.11	13825.01
Current Service Cost	445.33	337.59
Interest Cost	1171.48	1175.13
Contribution by Employee / Plan Participants	764.97	755.12
Benefits Paid out of funds	(1495.98)	(2276.61)
Actuarial (gain) / loss on obligation	(78.23)	(118.62)
Settlements / transfer in	91.34	84.49
Closing defined benefit obligation	14681.02	13782.11

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

(₹ in lacs)

Particulars	2012-13	2011-12
Opening fair value of plan assets	13734.69	13744.05
Expected return on plan assets	1167.45	1168.25
Employer Contribution	445.33	337.59
Plan participants / Employee Contribution	764.97	755.12
Benefits paid	(1495.98)	(2276.61)
Actuarial (gains) / loss on plan assets	91.67	(78.18)
Settlements / Transfer in	91.34	84.48
Closing fair value of plan assets	14799.47	13734.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
(Formerly known as the Zuari Holdings Group) FOR THE FINANCIAL YEAR 2012-13

The principal assumptions used in determining provident fund obligations :

Particulars	2012-13	2011-12
Discount Rate	8.50%	8.50%
Expected Rate of Return	8.50%	8.50%
Employee turnover Rate	1-3%	1-3%

(iv) Details of contribution to provident fund in respect of other companies in the Group :

(₹ in lacs)

Particulars	2012-13	2011-12
Contribution to Provident Fund	32.48	26.41

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

(₹ in lacs)

Particulars	2012-13	2011-12
Contribution to Superannuation Fund	320.41	200.79
Contribution to Contributory pension fund	131.66	105.48
Employees Death Benevolent Fund	0.64	0.48
Total	452.71	306.75

- The company expects to contribute ₹ 475 lacs (approx.) to provident fund trust in the financial year 2013 - 14.
- The information related to experience adjustment on plan assets and liabilities are not available but the amount would not be material in the opinion of the management.

46. Demerger

- During the previous year, pursuant to the Scheme of Arrangement and Demerger ("The Scheme") between Zuari Industries Ltd. (now known as Zuari Global Ltd.) and Zuari Holdings Ltd. (now known as Zuari Agro Chemicals Ltd.) approved by the Hon'ble High Court of Bombay at Goa, on 2nd March, 2012, all the Assets, Liabilities pertaining to Fertiliser Undertaking as on 1st July, 2011 of Zuari Industries Limited (now known Zuari Global Limited) had been transferred to the Parent Company at their book values and accordingly the surplus of Assets over the Liabilities of the Fertiliser undertaking so Demerged, resulted in creation of Business Restructuring Reserve of ₹ 65,404.84 lacs in terms of the Order of the Hon'ble High Court of Bombay at Goa. The said reserve be treated as free reserve and be restricted and not utilized for declaration of dividend by the Parent Company. The said order had been filed with the Registrar of Company on 21st March, 2012.
- The summary of the assets and liabilities transferred from Zuari Industries Limited (now known as Zuari Global Limited) as on 1st July, 2011 is as below:

(₹ In lacs)

Particulars	Amount
Fixed Assets (Net)	21,410.02
Current Assets , Loans and advances	2,35,545.04
	2,56,955.07
Less: Current Liabilities and Provisions	83,938.44
Less: Loans and Borrowings (Secured and unsecured)	1,03,143.66
Less: Deferred Tax liabilities	1,524.06
	1,88,606.16

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
(Formerly known as the Zuari Holdings Group) FOR THE FINANCIAL YEAR 2012-13**

(₹ In lacs)

Particulars	Amount
Net Transfer	68,348.90
Equity Share	2,944.06
Business Restructuring Reserve	65,404.84

- c. Pursuant to the Scheme, the Zuari Holdings Limited (now known as Zuari Agro Chemicals Limited) issued 29,440,604 Equity Shares of ₹ 10/- each aggregating to ₹ 2,944.06 lacs to the existing shareholders of the Zuari Industries Limited (now known as Zuari Global Limited), in the ratio of 1 fully paid up Equity Share of ₹ 10/- each of Zuari Holdings Limited (now known as Zuari Agro Chemicals Limited) for each share of ₹ 10/- each held in Zuari Industries Limited (now known as Zuari Global Limited).
- d. The results of the Parent Company for the previous year ended 31st March, 2012 were after giving effect to the Scheme, whereby the Fertiliser Undertaking of Zuari Industries Limited (now known as Zuari Global Limited) had been Demerged into the Parent Company with appointed date of 1st July, 2011.
- e. As per the Scheme, during the period between the Appointed date and the Effective date, Zuari Industries Limited (now known as Zuari Global Limited) had carried on the Fertiliser Undertaking in "trust" on behalf of the Parent Company. Further all profit or incomes earned and losses and expenses incurred for Fertiliser Undertaking had for all purposes been deemed to be profits or income or expenditure or losses of the Parent Company.
- f. The title deeds for immovable properties, licences, agreements, loan documents etc of the Company are in the process of being transferred in the name of Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited).

47. Segment Reporting

- * Primary Segment – The Zuari Agro Chemicals Group is engaged in the manufacture, sale and trading of fertilizers and seed which in the context of Accounting Standard 17 (Segmental Information) notified by Companies (Accounting Standard) Rules, 2006 (as amended), is considered as the only business segment. Accordingly no separate segmental information has been provided herein.
- * Secondary Segment – Geographical Segment
The Zuari Agro Chemicals Group operates in India and therefore caters to the needs of the domestic market. Therefore, there is only one geographical segment and hence, segment information is not required to be disclosed.

48. Related party disclosures under Accounting Standard – 18

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

- (i) Holding Company (upto June 30, 2011)
1. Zuari Global Limited (formerly known as Zuari Industries Limited)
- (ii) Fellow subsidiary of the Holding Company (upto June 30,2011)
1. Indian Furniture Products Limited
 2. Simon India Limited
 3. Zuari Management Services Limited
 4. Adventz Infaworld India Limited
 5. Gulbarga Cement Limited
 6. Globex Limited
 7. Zuari Investments Limited
 8. Zuari Insurance Brokers Limited
 9. Zuari Commodity Trading Limited
 10. Zuari Financial Services Limited
 11. Zuari Seeds Limited
 12. Zuari Fertilisers and Chemicals Limited

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
(Formerly known as the Zuari Holdings Group) FOR THE FINANCIAL YEAR 2012-13**

- (iii) Joint ventures of the Company
 - 1 Zuari Maroc Phosphates Limited (ZMPL) (with effect from 27.06.2011)
 - 2 Paradeep Phosphates Limited (Subsidiary of Zuari Maroc Phosphates Limited) (with effect from 27.06.2011)
 - 3 Zuari Rotem Speciality Fertilisers Limited (with effect from 31.05.2011)

- (iv) Key Management Personnel of the Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)
 - 1 Mr.S.S.Nandurdikar, Managing Director of Paradeep Phosphates Limited
 - 2 Mr. N Suresh Krishnan, Managing Director of Zuari Agro Chemicals Limited and Zuari Maroc Phosphates Limited.
 - 3 Mr. Akshay Poddar – Executive Director of Zuari Agro Chemicals Limited

- (v) Relatives of Key Management Personnel
 - 1. Mr. S. K. Poddar (father of Mr. Akshay Poddar)

- (vi) Other Venturers in respect of JV Entities
 - 1 OCP S.A. Morocco (with effect from 27.09.2012)
 - 2 Maroc Phosphores, SA (as this entity has merged with OCP S.A Morocco with effect from 27.09.2012)
 - 3 Rotem Amfert Negev Limited (with effect from 31.05.2011)
 - 4 Indo Maroc Phosphore Limited (with effect from 27.06.2011)

- (vii) Party having Significant Influence
 - 1 Zuari Global Limited (formerly known as Zuari Industries Limited) (with effect from 01.07.2011)
 - 2 Indian Furniture Products Limited (with effect from 01.07.2011)
 - 3 Simon India Limited (with effect from 01.07.2011)
 - 4 Zuari Management Services Limited (with effect from 01.07.2011)
 - 5 Adventz Infaworld India Limited (with effect from 01.07.2011)
 - 6 Gulbarga Cement Limited (with effect from 01.07.2011)
 - 7 Globex Limited (with effect from 01.07.2011)
 - 8 Zuari Investments Limited (with effect from 01.07.2011)
 - 9 Zuari Insurance Brokers Limited (with effect from 01.07.2011)
 - 10 Zuari Commodity Trading Limited (with effect from 01.07.2011)
 - 11 Zuari Financial Services Limited (with effect from 01.07.2011)
 - 12 Zuari Indian Oiltanking Limited (with effect from 01.07.2011)
 - 13 Style Spa Furniture Limited (with effect from 27.09.2012)
 - 14 Gobind Sugar Mills Limited (with effect from 21.08.2012)
 - 15 New Eros Tradecom Limited – Subsidiary of Gobind Sugar Mills Limited (w.e.f. August 21, 2012)

b. The transactions with related parties are given below:

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**NOTES TO FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
(Formerly known as the Zuari Holdings Group) FOR THE FINANCIAL YEAR 2012-13**

Related Party disclosures under Accounting Standard - 18

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

₹ in lacs

Sl. No.	Transaction details	2012 - 13					2011-12						
		Joint Ventures	Joint Venturers	Key management personnel (KMP)	Enterprises Having Significant Influences	Total	Joint Ventures	Joint Venturers	Key management personnel (KMP)	Enterprises Having Significant Influences	Holding Company	Fellow Subsidiary	Total
1	Payment made on their behalf												
	- Zuari Maroc Phosphates Limited	0.04	-	-	-	0.04	0.94	-	-	-	-	-	0.94
	- Paradeep Phosphates Limited	28.94	-	-	-	28.94	19.44	-	-	-	-	-	19.44
	- Zuari Rotem Speciality Fertilisers Ltd	0.88	-	-	-	0.88	40.45	-	-	-	-	-	40.45
	- Zuari Indian Oiltanking Limited	-	-	-	38.86	38.86	-	-	-	51.01	-	-	51.01
	- Zuari Management Services Limited	24.43	-	-	2.04	26.47	-	-	-	-	-	1.93	1.93
	- Adventz Infracore India Limited	-	-	-	72.41	72.41	-	-	-	-	-	3.62	3.62
	- Simon India Limited	14.15	-	-	2.24	16.39	-	-	-	-	-	-	-
	- Indian Furniture Products Limited	0.43	-	-	0.15	0.58	-	-	-	-	-	-	-
	- Zuari Global Limited*	7.67	-	-	-	7.67	-	-	-	-	-	-	-
2	Payment made on our behalf												
	- Paradeep Phosphates Limited	3.77	-	-	-	3.77	11.56	-	-	-	-	-	11.56
	- Stylespa Furniture Limited	0.60	-	-	0.37	0.97	-	-	-	0.15	-	-	0.15
	- Zuari Global Limited*	-	-	-	0.04	0.04	-	-	-	39.42	-	-	39.42
	- Simon India Limited	-	-	-	0.69	0.69	-	-	-	18.69	-	-	18.69
	- Adventz Infracore India Limited	-	-	-	0.02	0.02	-	-	-	5.78	-	-	5.78
	- Zuari Management Services Limited	-	-	-	1.29	1.29	-	-	-	27.77	-	-	27.77
3	Purchase of Fixed Assets												
	- Style Spa Furniture Limited	-	-	-	20.35	20.35	-	-	-	2.29	-	-	2.29
	- Simon India Limited	-	-	-	1,645.52	1,645.52	-	-	-	816.40	-	-	816.40
	- Indian Furniture Products Limited	-	-	-	30.87	30.87	-	-	-	4.99	-	-	4.99
4	Service / Consultancy/Corporate Guarantee charges paid												
	- Zuari Indian Oiltanking Limited	-	-	-	173.70	173.70	-	-	-	115.32	-	-	115.32
	- Zuari Investment Limited	-	-	-	0.114	0.114	-	-	-	0.50	-	-	0.50
	- Zuari Management Services Limited	-	-	-	121.33	121.33	-	-	-	0.55	-	-	0.55
	- Zuari Global Limited*	-	-	-	111.71	111.71	-	-	-	-	-	-	-
	- Simon India Limited	-	-	-	402.87	402.87	-	-	-	31.44	-	-	31.44
	- Indian Furniture Products Limited	-	-	-	46.61	46.61	-	-	-	-	-	-	-
	- Zuari Insurance Brokers Limited	-	-	-	-	-	-	-	-	1.77	-	-	1.77
5	Managerial remuneration												
	- Mr. S.S. Nandurdikar	-	-	81.69	-	81.69	-	-	46.14	-	-	-	46.14
	- Mr.N.Suresh Krishnan	-	-	133.20	-	133.20	-	-	-	-	-	-	-
	- Mr.Akshay Poddar	-	-	44.88	-	44.88	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
(Formerly known as the Zuari Holdings Group) FOR THE FINANCIAL YEAR 2012-13

₹ in lacs

Sl. No.	Transaction details	2012 - 13				2011-12							
		Joint Ventures	Joint Venturers	Key management personnel (KMP)	Enterprises Having Significant Influences	Total	Joint Ventures	Joint Venturers	Key management personnel (KMP)	Enterprises Having Significant Influences	Holding Company	Fellow Subsidiary	Total
6	Purchase of finished goods, raw material,spares, etc												
	- OCP S.A., Morocco**	-	46,912.17	-	-	46,912.17	-	51,654.28	-	-	-	-	51,654.28
	- Zuari Rotem Speciality Fertilisers Ltd	2,097.39	-	-	-	2,097.39	2,177.77	-	-	-	-	-	2,177.77
	- Paradeep Phosphates Limited	2,249.63	-	-	-	2,249.63	-	-	-	-	-	-	-
	- Zuari Seeds Limited	51.48	-	-	-	51.48	-	-	-	-	-	-	-
	- Fertiliser and Chemicals Ltd., Israil	-	-	-	-	-	-	89.75	-	-	-	-	89.75
	- Rotem Amfert Nagev Ltd.	-	878.18	-	-	878.18	-	-	-	-	-	-	-
	- Bunge Maroc Phosphore	-	-	-	-	-	-	2,744.97	-	-	-	-	2,744.97
	- Phosphates De Boucraa SA	-	-	-	-	-	-	4,603.14	-	-	-	-	4,603.14
	- Indo Maroc Phosphores S.A.Morocco	-	3,707.63	-	-	3,707.63	-	-	-	-	-	-	-
7	Claims and Demmurgues												
	- OCP S.A., Morocco**	-	22.22	-	-	22.22	-	113.72	-	-	-	-	113.72
	- Indo Maroc Phosphores S.A.Morocco	-	1.51	-	-	1.51	-	0.44	-	-	-	-	0.44
	- Phosphates De Boucraa SA	-	-	-	-	-	-	2.51	-	-	-	-	2.51
8	Royalty paid												
	-Rotem Amfert Nagev Ltd.	-	32.97	-	-	32.97	-	40.40	-	-	-	-	40.40
9	Service Income Received												
	- Zuari Indian Oiltanking Ltd.	-	-	-	900.00	900.00	-	-	-	-	-	-	-
10	Management Fee Received												
	- Zuari Global Ltd.*	-	-	-	140.70	140.70	-	-	-	-	-	-	-
11	Rent/Lease Rent Paid												
	- Zuari Global Ltd.*	-	-	-	47.45	47.45	-	-	-	-	-	-	-
12	Sitting Fee Paid												
	- Mr.S.K.Podddar	-	-	1.10	-	1.10	-	-	-	-	-	-	-
13	Interest received on loan/deposit												
	- Mr.N.Suresh Krishnan	-	-	1.96	-	1.96	-	-	-	-	-	-	-
	- Zuari Rotem Speciality Fertilisers Ltd	0.73	-	-	-	0.73	29.36	-	-	-	-	-	29.36
14	Corporate Guarantee given/ (Matured)												
	- Paradeep Phosphates Limited	(1,18,500.00)	-	-	-	(1,18,500.00)	-	-	-	-	-	-	-
15	Dividend paid												
	- Zuari Global Limited*	-	-	-	252.35	252.35	-	-	-	-	-	-	-
	- Zuari Management Services Limited	-	-	-	126.17	126.17	-	-	-	-	-	-	-
16	Commission paid												
	- Mr.S.K.Podddar	-	-	-	3.50	3.50	-	-	-	-	-	-	-

Note :

- * Zuari Global Limited name has been changed from Zuari Industries Limited w.e.f. 26th June, 2012 vide certificate approved by Ministry of Corporate Affairs, Goa, Daman & Diu.
- ** Maroc Phosphore SA, Morocco has merged with OCP SA, Morocco w.e.f. 27th September, 2012.

Related Party disclosures under Accounting Standard - 18

Balance Outstanding at the year end

(₹ in Lacs)

Sl. No.	Transaction details	2012-13				2011-12							
		Joint Ventures	Joint Venturers	"Key management personnel (KMP)"	Enterprises Having Significant Influences	Total	Joint Ventures	Joint Venturers	Key management personnel (KMP)	Enterprises Having Significant Influences	Holding Company	Fellow Subsidiary	Total
1	Loan/ICD given												
	- Mr.N.Suresh Krishnan	-	-	27.60	-	27.60	-	-	-	-	-	-	-
2	As Advance Recoverable												
	- Paradeep Phosphates Limited	-	-	-	-	-	9.56	-	-	-	-	-	9.56
	- Simon India Limited	-	-	-	2,543.08	2,543.08	-	-	-	253.89	-	-	253.89
	- Zuari Global Limited* (Advance against purchase of investment)	-	-	-	8,400.00	8,400.00	-	-	-	3,454.88	-	-	3,454.88
	- Bunge Maroc Phosphore Limited	-	8.90	-	-	8.90	-	-	-	8.37	-	-	8.37
	- Adventz Infracore India Limited	-	-	-	5.75	5.75	-	-	-	5.78	-	-	5.78
	- Adventz Industries India Limited	-	-	-	2.03	2.03	-	-	-	-	-	-	-
	- OCP S.A., Morocco**	-	9.43	-	-	9.43	-	9.42	-	-	-	-	9.42
	- Zuari Indian Oil Tanking Limited	-	-	-	910.12	910.12	-	-	-	-	-	-	-
	- Zuari Management Services Limited	-	-	-	0.06	0.06	-	-	-	-	-	-	-
	- Style Spa Furniture Limited	-	-	-	0.01	0.01	-	-	-	-	-	-	-
3	As Trade Payable												
	- Zuari Indian Oil Tanking Limited	-	-	-	22.73	22.73	-	-	-	9.46	-	-	9.46
	- OCP S.A., Morocco**	-	2,828.07	-	-	2,828.07	-	3,831.84	-	-	-	-	3,831.84
	- Paradeep Phosphates Limited	2,241.85	-	-	-	2,241.85	-	-	-	-	-	-	-
	- Zuari Seeds Limited	12.80	-	-	-	12.80	-	-	-	-	-	-	-
	- Zuari Rotem Speciality Fertilisers Ltd	852.59	-	-	-	852.59	60.22	-	-	-	-	-	60.22
	- Zuari Maroc Phosphates Limited	9.37	-	-	-	9.37	9.40	-	-	-	-	-	9.40
	- Rotem Amfert Nagev Ltd.	-	494.11	-	-	494.11	-	51.00	-	-	-	-	51.00
	- Indo Maroc Phosphores S.A.Morocco	-	9.28	-	-	9.28	-	7.31	-	-	-	-	7.31
	- Zuari Management Services Limited	-	-	-	10.74	10.74	-	-	-	11.20	-	-	11.20
	- Zuari Investment Limited	0.13	-	-	-	0.13	-	-	-	0.28	-	-	0.28
	- Phosphate De Boucraa SA	-	-	-	2.66	2.66	-	1,781.03	-	-	-	-	1,781.03
	- Simon India Limited	618.99	-	-	314.58	933.57	-	-	-	325.67	-	-	325.67
	- Indian Furniture Products Limited	0.43	-	-	6.49	6.92	-	-	-	3.02	-	-	3.02
	- Zuari Global Limited*	0.01	-	-	46.27	46.28	-	-	-	19.11	-	-	19.11
	- Style Spa Furniture Limited	-	-	-	1.48	1.48	-	-	-	-	-	-	-
4	Interest on Loan/ICD												
	- Mr.N.Suresh Krishnan	-	-	5.77	-	5.77	-	-	-	-	-	-	-
5	Corporate Guarantee												
	- Paradeep Phosphates Limited	-	-	-	-	-	1,18,500.00	-	-	-	-	-	1,18,500.00
6	Commission payable												
	- Mr.S.K.Poddar	-	-	-	3.50	3.50	-	-	-	-	-	-	-

Note : *Zuari Global Ltd.name has been changed from Zuari Industries Ltd.w.e.f.26 June'2012 vide certificate approved by Ministry of Corporate Affairs, Goa, Daman & Diu.
**Moroc Phosphore SA, Morocco has merged with OCP SA, Morocco w.e.f.27 September'2012.

49. Details of the Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group) in Joint Ventures included in the Consolidated Financial Statements are as follows :

(₹ In lacs)

Particulars		As at March 31, 2013	As at March 31, 2012
I.	EQUITY AND LIABILITIES		
	Reserves and surplus	46,336.85	42,127.75
	Minority Interest	11,160.17	10,147.66
	Non-current liabilities		
	Long term borrowings	5,595.38	312.75
	Deferred tax liabilities (Net)	409.39	72.51
	Other long term liabilities	118.55	64.64
	Long-term provisions	2,161.73	219.91
	Current liabilities		
	Short-term borrowings	144,583.37	56,878.21
	Trade payables	8,617.94	30,284.90
	Other Current Liabilities	8,331.13	7,829.20
	Short-term provisions	2,198.91	5,020.02
	Total	229,513.42	152,957.55

₹ in lacs

Particulars		As at March 31, 2013	As at March 31, 2012
II	ASSETS		
	Non-current assets		
	Tangible assets	15,648.06	12,760.35
	Intangible assets	60.68	88.51
	Capital work-in-progress	3,812.65	2,734.36
	Pre operative and Trial run expenses (pending allocation)	684.08	-
	Deferred Tax Assets (net)	-	1378.03
	Long-term loans and advances	5,761.62	848.57
	Other Non Current Assets	-	-
	Current assets		
	Current investments	77.41	80.98
	Inventories	34,676.60	34,061.50
	Trade receivables	139,164.35	77,602.64
	Cash and bank balances	5,355.59	350.13
	Short-term loans and advances	1,903.08	2,470.85
	Other current assets	22,667.41	20,879.87
	Total	229,811.53	153,255.79

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
(Formerly known as the Zuari Holdings Group) FOR THE FINANCIAL YEAR 2012-13**

(₹ In lacs)

Particulars		31st March 2013	31st March 2012
I	INCOME		
	Revenue from operations (gross)	266,757.61	203,513.81
	Less: excise duty	1,095.13	746.13
	Revenue from operations (net)	265,662.48	202,767.68
	Other income	5,039.96	3,839.66
	Total Revenue (I)	270,702.44	206,607.34
II	EXPENDITURE		
	Cost of raw materials consumed	120,969.00	105,135.06
	Purchase of traded goods	91,429.03	72,586.81
	(Increase)/Decrease in inventories	3,044.87	(11,228.81)
	Employee benefit expense	4,609.99	2,799.37
	Depreciation and amortization expense	1,342.72	968.08
	Finance costs	9,100.49	3,086.94
	Other expenses	33,546.68	20,960.60
	Total Expenditure (II)	264,042.78	194,308.05
III	Profit before tax	6,659.66	12,299.29
	Tax expenses		
	Current income tax	1,520.84	4,148.30
	MAT Credit Entitlement	(1.86)	(6.16)
	Deferred tax	1,770.04	(195.75)
	Income tax expenses of earlier years	(1,850.88)	0.58
IV	Total tax expense	1,438.14	3,946.97
V	Profit After Tax	5,221.52	8,352.32
VI	Share of Minority in Profits	(1,012.51)	(1,618.43)
VII	Profit for the Year	4,209.01	6,733.89

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
(Formerly known as the Zuari Holdings Group) FOR THE FINANCIAL YEAR 2012-13**

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

(₹ in lacs)

S.No.	Particulars	2012-13	2011-12
i)	The principal amount and the interest due thereon remaining unpaid to any supplier:		
	– Principal amount	Nil	Nil
	– Interest thereon	0.25	0.24
ii)	the amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
iii)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
iv)	the amount of interest accrued and remaining unpaid	0.01	0.24
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

51. In respect of Parent Company and subsidiary of a joint venture, Department of Fertilizer, Government of India has issued an office memorandum dated 11th July, 2011 whereby subsidy rates applicable on closing stock of Finished Goods and Raw Materials as on 31st March, 2011 has been revised to subsidy rates applicable of Financial Year 2010-11 as per Nutrient Based Subsidy (NBS) Policy. Accordingly, the Parent Company and subsidiary of a joint venture had adjusted their subsidy income to give impact of above mopping up adjustment. The Government had also recovered the applicable mopping up amount for finished goods in the previous year. During the current year, the Parent Company and subsidiary of a Joint venture has recognised subsidy income of ₹ 5439.22 lacs (including ₹ 2999.35 lacs being proportionate share of Zuari Agro Chemicals Group (formerly known as the Zuari Holdings Group)) on opening stock as on 1st April, 2011 of Raw materials / Intermediates for phosphatic and potassic fertilizers based on communication issued by Department of Fertilizers vide letter no. 23011/1/2010 – MRP (Pt) dated 22nd August, 2012 with respect to earlier office memorandum dated 11th July, 2011 on mopping of subsidy increase under NBS Policy.
52. In respect of Parent Company, the agreement with Joint Venture for providing management services to its subsidiary, which got suspended on 1st October, 2005, continues to remain so and consequently no management services fees has been accounted for the year.
53. In respect of Parent Company, subsidy of ₹ 27.21 lacs (capital ₹ 15.51 lacs and revenue ₹ 11.76 lacs) has been received during the year ended 31st March 2013 from Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India under the centrally sponsored scheme “National Project on Management of Soil Health & Fertility” towards cost incurred in respect of Agricultural Development Laboratory at Tirupathi. It has been accounted for as per the provisions of “AS 12 - Accounting for Government Grants” and ₹ 15.51 lacs received for capital assets has been reduced from the capitalised assets. The same has been disclosed as an adjustment to fixed assets during the current year; and depreciation already charged amounting to ₹ 1.59 lacs has been adjusted from the depreciation charge for the current year. Subsidy of ₹ 11.70 lacs for revenue expenditure is taken to the Statement of Profit and Loss.
54. In case of a Joint Venture, the Joint venture has been granted Eligibility Certificate by the Directorate of Industries, Government of Maharashtra vide letter No JDI/PUNE/PSI-2007/EC-12/2012/732 dated 19-7-2012. As per the Eligibility Certificate, the Joint Venture is entitled to:
- Electricity Duty Exemption for a period of 15 years from date of Commercial production.
 - Industrial promotion Subsidy (IPS) equivalent to 25% of Eligible Investment in Fixed Assets.

During the financial year, the company has received subsidy for the year 2010-11 and 2011-12. The subsidy received along with the subsidy for 2012-13, estimated on accrual basis has been accounted as Deferred revenue method as per the Accounting Standard 12 – Accounting for Government Grants.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
(Formerly known as the Zuari Holdings Group) FOR THE FINANCIAL YEAR 2012-13**

The total IPS for the year 2010-11, 2011-12 and 2012-13 aggregates to ₹ 50.50 lacs (being proportionate share of the Zuari Agro Chemicals Group) (formerly known as the Zuari Holdings Group)) out of which Rs 42.61 lacs (being proportionate share of the Zuari Agro Chemicals Group) (formerly known as the Zuari Holdings Group)) has been considered as deferred income under long term liability and Rs 2.66 lacs (being proportionate share of the Zuari Agro Chemicals Group) (formerly known as the Zuari Holdings Group)) has been considered under current liability respectively. An amount of ₹ 2.56 lacs (being proportionate share of the Zuari Agro Chemicals Group) (formerly known as the Zuari Holdings Group)) has been considered as prior period income being amounts pertaining to financial year 2010-11 and 2011-12. Subsidy pertaining to current year amounting to ₹ 2.66 lacs (being proportionate share of the Zuari Agro Chemicals Group) (formerly known as the Zuari Holdings Group)) has been considered as other income in the Statement of Profit and Loss.

55. Figures pertaining to the subsidiaries and joint ventures companies have been reclassified wherever considered necessary to bring them in line with the Company's financial statements. Figures reported with respect to the joint ventures and their subsidiaries represent the Company's proportionate share only.
56. 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 Board of Director of Zuari Agro Chemicals Limited.

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E

S. K. Poddar
Chairman

N. Suresh Krishnan
Managing Director

Marco Wadia
Director

per ANIL GUPTA
Partner
Membership No. 87921

V. Seshadri
Vice President - Finance

R. Y. Patil
Chief General Manager
& Company Secretary

Place: Gurgaon
Date: May 09, 2013

Place: Gurgaon
Date: May 09,2013

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI AGRO CHEMICALS GROUP
(Formerly known as the Zuari Holdings Group) FOR THE FINANCIAL YEAR 2012-13**

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 Before Tax	Tax	Profit after Tax
Zuari Seeds Limited	1,417.42	(1,678.79)	4,893.33	5,154.70	-	5,792.94	47.87	30.34	17.52
Zuari Fertilisers and Chemicals Limited	5.00	(486.50)	4,669.95	515.45	-	361.07	(346.17)	-	(346.17)

S. K. Poddar
Chairman

N. Suresh Krishnan
Managing Director

Marco Wadia
Director

V. Seshadri
Vice President Finance

R. Y. Patil
Chief General Manager
& Company Secretary

Place : Gurgaon
Date : 9th May, 2013

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