adventz

JAI KISAAN

ANN-DHAN-SAMPANN

9th ANNUAL REPORT 2017 - 18

50 YEARS OF SERVING THE FARMERS

ZUARI AGRO CHEMICALS LIMITED

AWARDS AND RECOGNITION

- International Fertiliser Association Excellence Award 2017 to Adventz Agri Business Group
- Goa State Pollution Control Board Excellence Award as the 2nd best Company in the Best Environmental Practice 2014 to Zuari Agro Chemicals Limited
- Runner-up Award Best Production Performance Nitrogen Unit for the year 2016-17 for Zuari Agro Chemicals Limited by the Fertiliser Association of India
- Gomant Uchcha Suraksha Puraskar 2017 for outstanding Safety Performance in Occupational Safety, Health and Environment for Zuari Agro Chemicals Limited
- Indian Chamber of Commerce (ICC) Environment Excellence Award 2017 to Paradeep Phosphates Limited
- Fertiliser Association of India Best Production Performance in Phosphoric Acid Plant 2016-17 to Paradeep Phosphates Limited
- Annual 18th Greentech Environment Gold Award 2018 to Paradeep Phosphates Limited
- Golden Peacock - Occupational Health & Safety Award 2017 to Paradeep Phosphates Limited
- Government of Odisha Best Performance in Accident Prevention for Safety Management & Communication Award 2016 to Paradeep Phosphates Limited
- Karnataka State Pollution Control Board Environment Awards 2016 to Mangalore Chemicals & Fertilisers Limited

CORPORATE INFORMATION

Board of Directors

Saroj Kumar Poddar
Chairman

Sunil Sethy
Managing Director

Akshay Poddar
Non-Executive Director

N. Suresh Krishnan
Non-Executive Director

Marco P. A. Wadia
Independent Director

J. N. Godbole
Independent Director

Gopal Krishna Pillai
Independent Director

Kiran Dhingra
Independent Director

Other Key Management Personnel

Naveen Kapoor
President Agri Business

Sandeep Agrawal
Chief Financial Officer - Agri Business

Nitin M. Kantak
Chief Technical Officer - Agri Business

V. Seshadri
Vice President Strategy

P. K. Gandhi
Group President Human Resource

R.S. Chugh
Chief Manufacturing Officer

Vice President & Company Secretary

R. Y. Patil

Statutory Auditors

S.R. Batliboi & Co. LLP,
Chartered Accountants, 3rd & 6th Floor,
World Mark-1, IGI Airport Hospitality
District Aerocity, New Delhi – 110 087,
India.

Bankers

1. State Bank of India
2. Canara Bank
3. Corporation Bank
4. Bank of Baroda
5. HDFC Bank Ltd
6. Axis Bank Ltd
7. ICICI Bank Ltd
8. IDBI Bank Ltd
9. RBL Bank Ltd
10. Yes Bank Ltd
11. Coöperatieve Rabobank U.A.
12. Federal Bank
13. IndusInd Bank Ltd

Legal Advisors

Khaitan & Co., Kolkatta

The Address of Our Share Transfer Agent

Link Intime India Pvt. Limited
C-101, 247 Park, LBS Marg, Vikhroli West,
Mumbai - 400 083

Tel: 022-49186000
Fax: 022-49186060
Email: helpdesk@linkintime.co.in
Website: www.linkintime.com

Listed On

National Stock Exchange of India Limited &
BSE Limited

Registered Office

Zuari Agro Chemicals Limited
Jai Kisaan Bhawan, Zuarinagar,
Goa - 403 726
Tel: 91-832-2592180 / 81
website : www.zuari.in

Corporate Office

Zuari Agro Chemicals Limited
5th Floor, Global Business Park,
Tower A, M. G. Road, Sector 26,
Gurugram - 122 002, Haryana

Tel: 91-124-4827800
Fax: 91-124-4212046

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

50 GLORIOUS YEARS

A time to rejoice.
A time to reflect.
A time to re-dedicate.

From shortage to self-sufficiency to surplus, Indian agriculture has made an impressive progress. Gradually, with time and perseverance, the Indian farmer has kept up with the country's growth, a country that has emerged as the world's fastest growing major economy today.

ZACL is proud to partner in the exceptional rise and performance of the Indian farmers. As we celebrate 50 years, we launched the Jai Kisaan Ann-Dhan-Sampann, an integrated campaign commemorating five decades of Jai Kisaan as well as marking the transformation of the agri-business.

This one-of-its-kind integrated campaign highlights the importance of empowered farmers for a prosperous and progressive India. It reflects the resurgence of India's agriculture as a key agrarian economy on the global stage. The campaign is in line with the mission of Jai Kisaan - to enable farmers produce high-quality crops. Ann-Dhan-Sampann showcases Jai Kisaan's role as a trusted national brand in farmer empowerment that goes beyond higher yields to improving their general quality of life.

Today, Jai Kisaan aspires to be more than just supplying products. It aims to become a one-stop solution offering R&D, soil health and collaborative knowledge-sharing from its Jai Kisaan Junctions, enabling farmers become agriculturists with modern agronomic techniques and technologies that are commensurate with the best in the world.

At Zuari Agro Chemicals Limited, as we rejoice and celebrate 50 years of Jai Kisaan, we also re-dedicate Jai Kisaan to play a larger role in nation-building by enriching the farmland and farmers.

CHAIRMAN'S COMMUNIQUE

As India aims at 'Doubling the Farmer's Income' (DFI) by 2022, it is an ardent need of the hour for Agri-Business entities like ZACL to emerge as a key agent in transforming the lives of Indian Farmers for a better and prosperous future.

Dear Members,

On behalf of the Board of Directors, it is my honour and pleasure to present the Adventz Agri-Business annual report for the financial year ended on 31st March 2018 (FY 2017-18).

Indian Agriculture sector is undergoing a much required change by adopting and implementing modern-age technologies. The Government of India has brought in innovative policies to boost the Agri Economy of the country, with path-breaking Direct Benefit Transfer (DBT), Soil Health Card, e-NAM (Electronic National Agriculture Market) and revising the Minimum Support Price (MSP) by 50% for 14 crops during Kharif season. Furthermore, policies pertaining to Crop Insurance, Irrigation and to ensure proper nutrient balance in the soil have been strengthened for achieving a sustainable agricultural growth.

As India aims at 'Doubling the Farmer's Income' (DFI) by 2022, it is an ardent need of the hour for Agri-Business entities like ZACL to emerge as a key agent in transforming the lives of Indian Farmers for a better and prosperous future. ZACL is committed to serving the farmers of India and its 50-year-old legacy is a testament to how ZACL's brand Jai Kisaan has evolved in the life of a farmer by being a valuable partner for their success. In the 51st year of ZACL's operation, as the Chairman of Board, I can assure that our engagement with the farming community shall further intensify.

In the last year, we expanded the reach of Jai Kisaan Junction stores, which has emerged as a one-stop solution for all the cultivation requirements of the farmer, right from agri products to farm consultation services. Our penetration in the markets of Maharashtra and Karnataka has been deepened while our tryst with newer regions like Uttar Pradesh, West Bengal and Odisha has yielded encouraging results. We are reinforcing our efforts for the farmers by pushing for necessary R&D in agriculture. The Adventz Agri Park situated in Solapur-Maharashtra is the core R&D centre for farmers which exhibits model-farming practices induced with modern yet cost-effective technology. ZACL's Soil-health Laboratories, situated across pan India, disseminate technological know-how to farmers across ZACL's key market regions. ZACL has been fully compliant to the production of neem-coated Urea and adopting DBT while assisting the dealers, retailers and farmers in the supply chain of DBT. Our theme 'Aan-Dhaan-Sampaan' is not only symbolic but an actual reflection of our endeavour in creating a livelihood of fulfilment for the farmers of India.

The Agri-Group this year further strengthened its share in the market. Mangalore Chemicals & Fertilisers Ltd (MCF), subsidiary of ZACL, has enabled deeper penetration in the southern markets and the acquisition of MCF has paid rich dividends for the Adventz Agri-Business. Paradeep Phosphates Ltd continues to yield robust business performance. The merger of subsidiaries, like Zuari Fertilisers & Chemicals, Zuari Speciality Fertilisers and Zuari Agri Sciences with Zuari Agro Chemicals Limited, has bolstered the consolidation of Adventz Agri-Business.

ZACL is growing the business in a sustainable way so that the benefit reaches all our shareholders earning their trust over the long term by returning capital in a consistent and transparent way. With the support from our internal and external stakeholders, ZACL will continue to strive towards building a more sustainable business and enhancing shareholders' value in the near and long-term.

Best regards,

Saroj Kumar Poddar
Chairman, Zuari Agro Chemicals Limited

ABOUT ZUARI AGRO CHEMICALS LIMITED

Founded by one of the eminent business personalities of India, Late Dr KK Birla in 1967, Zuari Agro Chemicals Limited ("ZACL" or the "Company") is the flagship company of Adventz Group, steering the Group's agriculture vertical ahead.

Operating primarily in the realm of high-quality complex fertilisers of various grades along with seeds, pesticides, micro-nutrients, water soluble fertilisers and specialty fertiliser, ZACL was formed with two core fundamentals – to ensure economic prosperity and independence of the farmers by providing affordable fertilisers and to emerge as the single-window agricultural solution provider to them.

Nutrients	Crop Protection	Seeds	Speciality fertilisers	Micro-nutrients
Urea	Insecticides	Cotton	Water Soluble	Zinc Sulphate
DAP	Fungicides	Maize	Specialty Agri Fluids	Sulphur
MOP	Herbicides	Paddy	Soil Conditioner	Boron
Complex fertilisers		Mustard		
SSP				

Committed to effective utilisation of resources and adoption of innovative initiatives for the well-being of the farming community, ZACL's success rests on responsible operation, adept execution, innovative manufacturing and proactive capturing of new opportunities.

ZACL is driven by a management which believes in delivering excellence and creating a business edge over its competitors. The imminent need was to increase its market share, hence ZACL had to expand its geographical reach and product basket via strategic M&A and Joint Venture. At the turn of the new millennium, ZACL entered into a Joint Venture with OCP Morocco, the global major in Phosphate Fertilisers and acquired majority shares holdings of Paradeep Phosphates Limited in 2002. Paradeep Phosphate Limited (PPL) was a nearly sick and a perpetual loss-making entity at that time but today it is India's largest NPK manufacturing unit with excellent business performance. With this landmark consolidation, ZACL strengthened its presence in the complex fertilisers segment, while at the same time helped PPL gain significant growth trajectory and emerge as a profit-making plant. In 2015, Mangalore Chemicals and Fertilisers Limited (MCF) became a subsidiary of ZACL. It was a strategy to boost ZACL's product offerings in the chemical fertilisers segment such as Crop Care, ABC and SNF. MCF today is the largest manufacturer of chemical fertilisers in the state of Karnataka with ZACL having 53.03% stake in the company.

For
50+
years addressing the agricultural requirements of a growth-intensive nation

Empowering the Indian farmers with high-quality products

2.3
million farmers are associated with ZACL with a deep-rooted presence across India with a network of more than **6,000** dealers

OUR VISION

To be the one-stop solution for the farm economy

OUR MISSION

To create value for farmers and stakeholders by providing integrated agri solutions to all farm needs

Our core values

Agility: Our uniqueness lies in our ability to be agile, balanced and adaptable. These qualities are achieved through our nimble workforce and robust processes that enable us to rapidly adapt to market and environmental changes and act quickly on new opportunities.

Customer first: We are continuously focussed on empowering and enabling farmers to progress, along with exceeding all our customers' expectations whose demand is the driving force behind our growth. We are constantly striving to create long-term value for them, improving each customer experience, focussing on supporting their needs, and delivering high quality services.

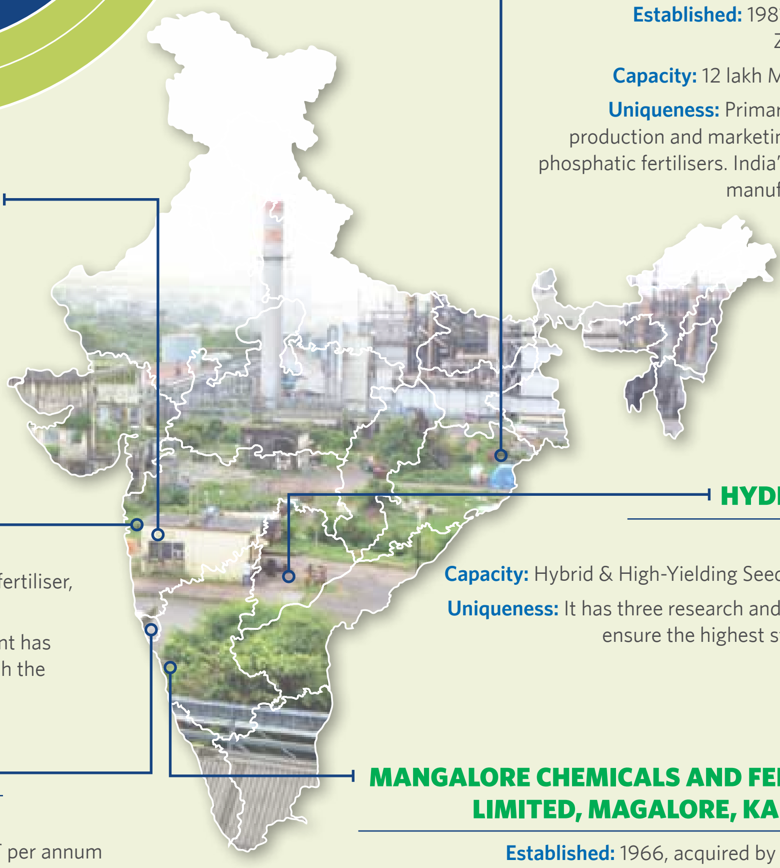
Integrity: We, as an organisation, believe in demonstrating the highest level of ethical standards, honesty, fairness, transparency and openness at all times and in every situation.

Sustainability: We are committed to growing consistently and responsibly, benefiting our employees, consumers, shareholders and other stakeholders; and contributing significantly towards environment, culture, society, economy and well-being of future generations.

OUR MANUFACTURING CAPABILITY

Our Six state-of-the-art facilities located in different states of India enable ZACL to be cost-effective, enjoy economies-of-scale and offer consistent product quality. With over three million tonnes of manufacturing capacity, ZACL's six manufacturing units are located at Goa, Mangalore, Paradeep, Baramati, Hyderabad and Mahad.

KNOWING ZACL'S MANUFACTURING LANDSCAPE



PARADEEP PHOSPHATES LIMITED, ODISHA

Established: 1981, acquired by ZACL in 2002

Capacity: 12 lakh MT per annum

Uniqueness: Primary focus is the production and marketing of complex phosphatic fertilisers. India's largest NPK manufacturing unit.

MAHAD (MAHARASHTRA) UNIT

Established: 2015-16

Capacity: [SSP: 600 tonnes per day]

Uniqueness: Focussed on the manufacturing of complex fertilisers, the unit has a production capacity of 600 tonnes per day.

BARAMATI UNIT

Established: 2010-11

Capacity: Manufactures WSF grade of NPK fertiliser, 12,000 MT per annum

Uniqueness: Operating in two shifts, the plant has helped ZACL to enhance its engagement with the farming community to maximise crop yield.

HYDERABAD UNIT

Established: 1995

Capacity: Hybrid & High-Yielding Seeds: 2.5 MT per hour

Uniqueness: It has three research and testing facilities to ensure the highest standards of quality.

GOA UNIT

Commissioned: 1973

Capacity: Fertiliser: 14 lakhs MT per annum

Uniqueness: Designed and engineered by the renowned Toyo Engineering Japan, the plant uses the latest in pipe reactor technology and are based on the slurry granulation process.

MANGALORE CHEMICALS AND FERTILISERS LIMITED, MAGALORE, KARNATAKA

Established: 1966, acquired by ZACL in 2015

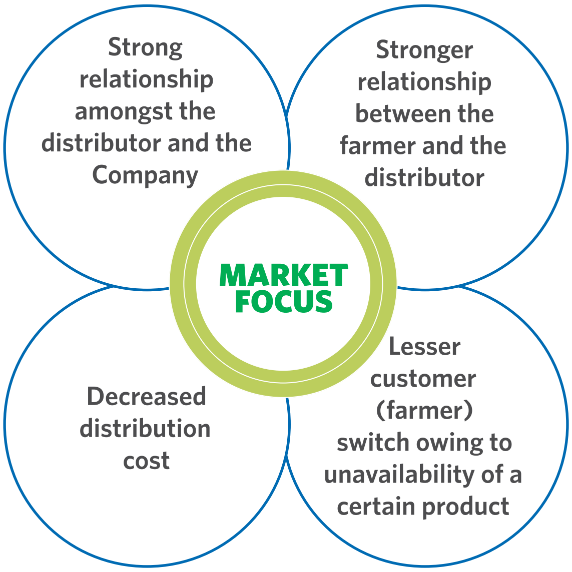
Capacity: 6.91 lakhs MT per annum

Uniqueness: Largest manufacturer of chemical fertilisers in the state of Karnataka

Micro-nutrients	Fertilisers	Speciality fertilisers	Organic manure
Adbor	Jai Kisaan Samarth	Atom 61	JK Compost
Gandhak 90	Jai Kisaan Sampatti	Boon 45	
Granubor Natur	Jai Kisaan Sampurna	Boost 52	
Zinc 21	Jai Kisaan Samrat	Calnit 19	
	Jai Kisaan Urea	Poorna 19	
	Jai Kisaan Suraksha	Sanjeevani	
		Satej	
		Sulpho 50	

Product	Nature
Jai Kisaan Samrat	Considered to be the most economical fertiliser for application of Nitrogen and Phosphorus.
Jai Kisaan Urea	One of the most recognised brands of urea amongst Indian farmers, Jai Kisaan Urea ensures crops recover quickly from nitrogen deficiency.
Jai Kisaan Sampurna	The star performer of the Company is deal for cash and food crops to provide plant nutrition.
Jai Kisaan Samarth	Rated the highest amongst the NPK range of fertilisers, helps in controlling the excessive vegetative growth of crops.

HOW A WIDE PRODUCT BASKET HELPS?



IMPROVING FARMER CONNECT

Since its inception, Zuari Agro Chemicals Limited has been a pillar of strength to the Indian farming community offering a wide range of quality and affordable products and focussed farmer engagement initiatives. These community engagement programmes aim to instil a holistic understanding of best farming practices, product usage and modern technology. The Company importantly aims to educate the farmer community on various aspects that can improve farm productivity while boosting their income in a sustainable manner. These farmer engagement initiatives are in line with the Company's core ethos of promoting inclusive and sustainable growth and development of the farmers.

Foremost among these is our 50-year-old "Jai Kisaan" brand of products and various programmes launched at regular intervals around it. From offering a wide range of customer-centric services and sustainable agri-solutions to offering technology-enabled solutions to the Indian farming community, Jai Kisaan has evolved as a symbol of trust over these five decades. Launch of Jai Kisaan Junctions, the first-of-its-kind agri-product stores is one such example. Aimed at creating a deeper farmer connect, these stores offer a world of convenience for the farmers by providing an entire range of agricultural products at affordable price points along with free agri-consultancy services ranging from sowing to harvesting of crops. Equipped with audio-visual aids to exhibit scientific crop management practices, the stores also offer value-added services such as soil testing, market information, facilitate crop insurance and agronomic expertise among others.

Goa Agri Initiative (GAIN) is another such initiative to empower farmers. Aimed at reviving the ailing agricultural economy in Goa through the introduction and implementation of different farming techniques, better resource management and new technologies, the project was bestowed with the Agriculture Leadership Award in 2015 at the 8th Leadership Summit.

Created with a vision to enhance technology awareness and knowledge diffusion amongst the community, Adventz Agri Innovation Centre (AAIC) is another one-of-its-kind farmer-friendly initiative by ZACL, acting as an advisory center. The facility aims at helping the farmers in enhancing the yield and the farm income through the adoption of best agricultural technologies at the farmers' level. Located near Solapur in Maharashtra and spread over 106 acres, the facility helps the farmer community with integrated diagnostics, skill enhancement and implementation of innovative technologies.

Celebrating 50 years of Jai Kisaan's incredible journey, the Company launched the Jai Kisaan App, a farmer engagement app packed with features and functions to fulfil the needs of the farmer community in India.

The App is a one-stop solution on agricultural information and cultivation, covering crop nutrition, protection, seeds, and diagnostic services. It also provides easy access to soil testing, customised information wherein farmers will have access to fertiliser recommendations on the basis of crop and target yields. Other benefits of the application include access to commodity market prices and a five-day weather forecast, to assist the farmer in making critical decisions related to his farm income.

To commensurate the remarkable five decadal journey of Jai Kisaan and to create a pan India traction for the brand, the Company endeavoured towards creating a new brand campaign centred on the theme - importance of agriculture in the economic growth of India. Branded as 'Ann-Dhan-Sampann', this new television commercial aspires to strengthen its brand recall and spread its reach.

We remain committed to continue in our endeavour to strengthen our connect with our principal stakeholders and remain true to our farmers' first credo.

The growth story of JAI KISAAN continues...

Directors' Report 2017 - 18

To the Members,

1. Your Directors place before you the Ninth Annual Report of the Company together with Statement of Accounts for the accounting year ended 31st March, 2018.

2. Financial Highlights:

₹ In lacs

Particulars	Standalone		Consolidated	
	Current Year 2017-18	Previous Year 2016-17	Current Year 2017-18	Previous Year 2016-17
Profit /(Loss) for the year before depreciation , exceptional item and taxation	10726.02	2378.72	21,867.39	8,762.17
Less :Depreciation for the year	4258.09	3920.51	8252.77	7733.46
Exceptional Expenses	1393.54	6433.05	1393.53	6433.04
Share of Profit / (Loss) of an associate and a joint venture			5848.78	3251.78
Profit/(loss) before tax	5074.39	(7974.84)	18069.87	(2152.55)
Less : Provision for taxation – Current Tax	1799.09	-	3566.29	680.00
MAT Credit	(1799.09)	-	(3566.29)	(680.00)
Deferred Tax Charges (Credit)	879.22	(1938.80)	2325.26	(868.35)
Profit/(loss) after tax	4195.17	(6036.04)	15744.21	(1284.20)
Other Comprehensive Income	(1331.55)	1388.12	(1341.30)	1218.87
Total Comprehensive Income /(Loss)	2863.62	(4647.92)	14402.91	(65.33)
Cash Dividend : Nil (PY Re 1) (in case of a subsidiary Re 1 (PY Re 0.50)	-	420.58	420.58	-
Tax on dividend (Including Surcharge)	-	85.62	206.25	-
Earnings per equity shares (EPS)	₹ 9.97	₹ (14.35)	₹ 30.67	₹ (5.22)

A. Review of Operations:

The revenue from operations (Standalone) for the year ended 31st March, 2018 was ₹ 4,64,995.68 lacs as compared to ₹ 4,09,180.39 lacs for the previous year ending 31st March, 2017.

The Profit before tax for the year ended 31st March, 2018 was ₹ 5,074.39 lacs as compared to Loss of ₹ 7,974.84 lacs for the year ending 31st March, 2017. The Profit after Tax stood at ₹ 4,195.17 lacs for the year ending 31st March, 2018 as compared to loss of ₹ 6,036.04 lacs for the previous year.

The Gross revenue from operations (Consolidated) for the year ended 31st March, 2018 was ₹ 7,27,085.57 lacs as compared to ₹ 6,40,682.43 lacs for the previous year.

The Consolidated Profit before tax for the year ended 31st March, 2018 was ₹ 18,069.87 lacs as compared to Loss of ₹ 2,152.55 lacs for the year ending 31st March, 2017. The Profit after Tax stood at ₹ 15,744.21 lacs for the year ending 31st March, 2018 as compared to a Loss of ₹ 1,284.20 lacs for the previous year.

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relates and the date of the approval of the Directors Report.

B. Reserves:

The Net Deficit in the statement of Profit and Loss and General Reserves as on 31st March 2018 is ₹ 983.55 lacs, as against ₹ 4,714.11 lacs Net Deficit in the statement of Profit and Loss as on 31st March 2017.

3. Dividend:

The Directors do not recommended any dividend for the current year. In the Previous year dividend of Re. 1/- per equity share of ₹ 10/- each was declared and paid to the Shareholders.

4. Capital Projects:

The Company has successfully retrofitted the NPK Plant 'B' with Dual Mole Scrubbing System from M/s Jacobs, Lakeland, USA. This has enabled the plant to achieve higher rate of production while maintaining the emissions from the plant well below the permissible limits. The Detailed Engineering was carried out through M/s. JACOBS India. The procurement and construction was executed by the in-house team. The system was commissioned in June 2017. As a part of sustenance, the Dryer Shell along with Internals and the Girth gear was also replaced.

The NPK Plant Á' also underwent some improvisation. The polishing screens were replaced with REWHUM screens having special vibrating mechanism. This has not only improved the product size but has also improved the nutrient efficiency. The de-dusting system in the plant is also modified for improved functioning and the plant is now almost dust free.

An existing sulphuric Acid Tank was converted to store phosphoric acid by rubber lining the same. This has increased the phosphoric acid storage capacity by 2500 MT improving the inventory of acid to be in line with the increased production capacities of the plant.

The Integrated Revamp of the Ammonia–Urea–Steam & Power Generation facilities has now reached a stage of awarding the contract to the Engineering, Procurement and Construction (EPC) contractors. During the financial year, Projects and Development India Limited (PDIL) was engaged to prepare a Techno economic Feasibility Report, basis the Basic Engineering Design Package (BEDP) developed by Casale, Switzerland, the Process Licensor (for Ammonia & Urea processes) and the Gas Turbine(GT)+ Heat Recovery Steam Generator (HRSG) package specifications developed through PDIL themselves. EPC contractors for the inside battery limit (ISBL) Ammonia / Urea plant as well as that for the GT+HRSG were evaluated and finalized. Invitation to Bid Document for both the packages were separately made through PDIL and Floated in January 2018 to all the selected EPC Bidders. An extended Engineering study is also awarded to the Selected Bidders for submitting the bid with higher accuracy eventually optimizing the project cost. The project is expected to have the contract awarded by September 2018 and completed by September, 2020, at an estimated Cost of ₹ 1,300 Crores.

Meanwhile the Environment Clearance for the project is in final stages. Formal clearance is awaited. Financial closure for the project will be achieved immediately thereafter.

The major deliverables of the project are (a) Higher Production with same raw material input, (b) Substantial Reduction in Specific Energy Consumption, (c) Pollution Abatement, Reduction in Carbon Footprint and Conservation of Natural Resources, (d) Improved Reliability & Efficiency of Plant's Equipments & Machinery.

With a view to reduce carbon footprint and environmental sustainability the modernization project envisages conversion of surplus ammonia into finished goods. The guaranteed Annual Urea Specific Energy Consumption would be around 5.39 GCal/MT. The Company is currently working on the next phase of the Project viz. Financial Closure & Award of EPC Contract and preparation of invitation to bid (ITB) documents by PDIL.

The project for replacement of the pressurized storage of Liquid Ammonia in Horton Spheres with the Atmospheric Ammonia Storage Tank (AAST) is expedited now and ITBs for the same are also floated. This project will also run parallel to the Ammonia / Urea Revamp.

5. Conservation of Energy/Technology Absorption/ Foreign Exchange Earnings and Outgo:

A. Conservation of Energy:

The Company did not take any major initiatives for conservation of energy, during the financial year. However, the Company with steady plant operations produced additional Urea beyond Re-assessed capacity and also surplus technical ammonia which resulted in reduction in overall energy of urea and also savings of valuable foreign exchange.

B. Technology Absorption:

(i) The efforts made towards technology absorption - Not Applicable

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution – Not Applicable

(iii) Imported technology (imported during the last 3 years reckoned from the beginning of the financial year)

a) The details of technology imported	:	Scrubbing system of NPK-B Plant was undertaken based on Dual-Mole Scrubbing Technology of M/s Jacobs, USA.
b) The year of import	:	2015-16
c) Whether the technology been fully absorbed	:	Yes, The Ammonia Scrubbing Efficiency has been improved to 99.6% in the NPK-B Plant
d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	Not Applicable

iv) The expenditure incurred on Research and Development : Not Applicable

C. Foreign Exchange and Outgo:

The expenditure in foreign currency for the year ended 31st March, 2018 was ₹ 336.97 lacs as compared to ₹ 4,398 lacs during the previous year. The foreign exchange earnings for the year ended 31st March, 2018 was ₹ 1,092.10 lacs as compared to ₹ 41 lacs during the previous year.

6. Environment and Safety:

The Company continues its environment and safety initiatives and has successfully implemented internationally recognized Environment & Safety Standards and is an ISO 14001: 2004 and OHSAS 18001:2007 certified organization. The Certification process was carried out by TUV Nord.

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

As reported earlier, the Company's policy is to continuously improve the surrounding environment. It has installed and commissioned a continuous online Ambient Air Quality Monitoring Station which is connected to the CPCB server and an online continuous Stack Monitoring System for the Reformer stack of Ammonia plant, DG stack, Fume stack of NPK-A Plant and the NPK-B Plant Stack. This online stack Monitoring system is connected to the GSPCB and CPCB server. It has also installed and commissioned a flow meter and camera for continuous online final effluent monitoring system which is also connected to the GSPCB and CPCB server.

The Company continues to be certified for excellence certification of 'Protect & Sustain" stewardship from International Fertiliser Association. The certification process was carried out by M/s. SGS India Private Limited.

Your Company continues its community awareness programmes on the 'Do's and Don'ts in case of ammonia gas leakage' for the students & teachers of the neighboring schools, employees and port users of Mormugao Port Trust and the general public. Community awareness program on road safety was conducted for the school teachers at Zuarinagar as part of National Road Safety Week. DO`s and DON'T`s in case of ammonia gas emergency was conducted for the employees of the Naval Stores Depot at Dabolim-Goa.

The Company conducts various promotional activities related to Safety, Health & Environment during National Safety Week, Road Safety Week & Fire Service Day. Health, Safety & Environment Quiz & Poster contest, live demonstration of firefighting techniques, domestic & household safety for the students of neighboring schools, employees' children and people residing in surrounding community are taken up during those days. The Company also conducts campaigns through FM Radio on 'DO'S AND DON'TS in case of ammonia gas leakage'. Company publishes DO`S AND DON'T`S in case of ammonia gas emergency for the awareness of the general public in leading newspapers.

The Green Triangle Society, Goa in association with the Inspectorate of Factories & Boilers have awarded "Gomant Uchcha Suraksha Puraskar" to the Company for the Outstanding Safety Performance in Occupational Safety, Health & Environment.

As part of the safety performance following parameters were considered:

- Health & Safety Management systems
- Workers participation in Health & Safety
- Health & Safety Training
- Work Permit, tag out & lock out systems
- Internal & External Safety auditing, review process
- Promotion of Safety & Health at work place
- Community awareness programs
- Safety of the contract workers
- On Site Emergency Plan & mock drills

7. Industrial Relations:

Cordial and conducive working conditions prevailed amongst the Company employees and the contract workmen. Contract Labour Union have signed the wage settlements with the Contractor in Bagging, Maintenance and Production Sections. For Canteen Contract Labour, Wage Settlement/Voluntary Separation Scheme (VSS) discussions are in progress.

8. Extract of the Annual Return:

Pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as on 31st March, 2018 is enclosed as **Annexure 'E'** to the Directors' Report.

9. Related Party Transactions:

All related party transactions that were entered into during the financial year, u/s 188 of the Companies Act, 2013 were on an arm's length basis. All related party transactions are approved by the Audit Committee and the Board of Directors. The details of material Related Party transactions in Form AOC-2 are enclosed as **Annexure 'J'.** There were no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

10. Particulars of Loans, Guarantees or Investments:

The details of Loans, Corporate Guarantees and Investments made during the year under the provisions of Section 186 of the Companies Act, 2013 are given in Note No. 40 of the financial statements.

11. Nomination & Remuneration Policy and Disclosures on Remuneration:

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

The nomination and remuneration policy is displayed on the Company's website. The weblink for the same is : www.zuari.in/assets/files/corporate-governance.

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

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request by the shareholders.

The Report and Accounts pursuant to Section 136 of the Companies Act, 2013 are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

12. Risk Management:

The Company has constituted a Risk Management Committee with the objective to monitor and review the risk management plan for the Company including identification therein of elements of risks, if any, which may threaten the existence of the Company and such other functions.During the year under review, 1 meeting of the Committee was held on 12th March, 2018.

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

Names of Members	Status	No of meetings attended
Marco Wadia	Member	1
J.N. Godbole	Member	1
Sunil Sethy	Member	1
N. Suresh Krishna	Member	1
V. Seshadri	Member	1
Sandeep Agrawal	Member	1
R.Y. Patil	Member	1

13. Vigil Mechanism/Whistle Blower Policy:

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

14. Corporate Social Responsibility ('CSR'):

The Board of Directors has constituted a CSR Committee and also approved the CSR Policy. CSR Committee comprises of two Independent Directors, one Executive Director and one Non-Executive Director. The Board has designated Mr. R.Y. Patil, Vice President & Company Secretary as Secretary of the Committee. During the year under review, 1 meeting of the Committee was held on 12th March, 2018.

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

Names of Members	Status	Nature of Directorships	No of meetings attended
Gopal Krishna Pillai	Chairman	Non Executive Independent Director	1
J.N. Godbole	Member	Non Executive Independent Director	1
Sunil Sethy	Member	Managing Director	1
Akshay Poddar	Member	Non Executive Director	-

The policy is displayed on the Company's website. The weblink for the same is: www.zuari.in/assets/files/corporate-governance.

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

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

15. Directors and Key Managerial Personnel:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

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

Mr. N. Suresh Krishnan retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. A brief profile and details of other directorships of Mr. N. Suresh Krishnan are given in the Report on Corporate Governance attached as **Annexure 'A'** to this report.

Ms. Kiran Dhingra has been re-appointed as Independent Director for a further period of 3 years w.e.f. 1st April, 2018, subject to the approval of the shareholders. Brief profile along with other particulars of Ms. Kiran Dhingra, as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is disclosed in the 9th Annual General Meeting Notice.

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

Mr. Kapil Mehan resigned as Managing Director and Key Managerial Personnel w.e.f 3rd June, 2017.

Mr. Sunil Sethy has been appointed as Additional Director w.e.f. 28th July, 2017 and Managing Director and Key Managerial Personnel w.e.f.1st August, 2017.

Mr. Sunil Sethy, Managing Director, Mr. Sandeep Agrawal - Chief Financial Officer and Mr. R.Y. Patil, Vice President & Company Secretary have been designated as Key Managerial Personnel in accordance with provisions of Section 203 (1) of the Companies Act, 2013.

16. Performance Evaluation:

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

a. Performance evaluation of the Board, Chairman and non-Independent Directors by the Independent Directors;

b. Performance evaluation of the Board, its committees and Independent Directors by the Board of Directors; and

c. Performance evaluation of every director by the Nomination and Remuneration Committee.

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

17. a. Board Meetings:

During the year under review, five Board meetings were held on 19th May, 2017, 28th July, 2017, 23rd October, 2017, 21st November, 2017 and 12th February, 2018. The details of the composition of the Board and attendance of the Directors at the Board Meetings, are provided in the Corporate Governance Report.

b. Audit Committee:

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

18. Fixed Deposits:

The Company has not accepted fixed deposits in the past or during the year.

19. Details of significant and material orders passed by the Regulators or Courts:

There are no significant material orders passed by the Courts/ Regulators or Tribunals impacting the going concern status and Company's operations in future. The details pertaining to various demand notices from various statutory authorities are disclosed in Note No. 33 (b) of financial statements under the heading – Contingent Liabilities.

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

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

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

21. Disclosure Requirement:

Your Company has complied with all the mandatory SEBI Listing Regulations. The Report on Corporate Governance is enclosed as **Annexure 'A'** to this report. A Certificate on compliance of Corporate Governance by a Practicing Company Secretary is enclosed as **Annexure 'B'**. Declaration by the Managing Director is enclosed as **Annexure 'C'**, the Management Discussion and Analysis is enclosed as **Annexure 'D'** and Secretarial Audit Report is enclosed as **Annexure 'F'** to this report.

22. Statutory Auditors:

As per section 139 of the Companies Act, 2013 and Rules made thereunder, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, New Delhi, were appointed as Statutory Auditors from the conclusion of the Seventh Annual General Meeting till the conclusion of the Twelfth Annual General Meeting.

The Auditor's report on Standalone & Consolidated Financial Statements, contained qualified opinion summarized below :

Standalone & Consolidated Financial Statement

The Auditors were unable to comment in respect of impairment of Company's investment of ₹ 119.43 crores in the rock phosphate mining project at Peru (which is under development) through its JV company MCA Phosphates Pte Ltd, in absence of sufficient audit evidence.

Comment by the Board of Directors on the Auditor's Report :

The Company has, based on an valuation done by an independent agency, decided not to provide for any impairment in its equity investment in MCA Phosphates Pte Ltd. Further to substantiate Company's view, Fosfatos del Pacifico (FdP) , the Peruvian company where the project asset is located , has not made any provision for impairment in the project assets in its audited financials as of Dec 31, 2017 based on high level of rock phosphate resources, as confirmed by a report on mineral resources prepared by an independent professional institution. FdP has assessed that it is highly probable to obtain future economic benefits from these assets.The Company has not considered any impairment loss based on the fair valuation of the said investment done by an independent valuer.

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

23. Cost Audit :

The Board has re-appointed Mr. Irudayam Savari Muthu, Cost Accountant, Membership No. 6716, as the Cost Auditor for the year 2018-19 and has recommended the remuneration payable to the Cost Auditor for ratification at the ensuing Annual General Meeting. The Cost Audit Report for the year ended 31st March, 2017 was filed by the Company with the Ministry of Corporate Affairs on 27th August, 2017.

24. Secretarial Audit :

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Shivaram Bhat, Practicing Company Secretary as Secretarial Auditor, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2017-18 is enclosed as **Annexure 'F'** to this Directors' Report. The Report does not contain any qualification.

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

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

26. Employees' Stock Option Scheme:

No ESOPS were issued by the Company.

27. Rights Issue of shares :

Your Company passed a resolution on 29th February, 2016 to create, offer, issue and allot equity shares for cash for a sum not exceeding ₹ 200 crores on Rights basis. The Board at its meeting held on 9th September, 2016 deferred the Rights Issue till such time the Board deems fit.

28. Raising of Funds through issue of securities :

Your Company passed a resolution on 29th December, 2017 for raising of funds thorough issue of securities.

29. Consolidated Financial Statements under section 129 of the Companies Act, 2013:

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

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

30. Subsidiaries:

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

National Company Law Tribunal (NCLT) bench at Mumbai had vide its order dated 14th September, 2017, sanctioned scheme of amalgamation of Zuari Fertilisers and Chemicals Limited, Zuari Speciality Fertilisers Limited, Zuari Agri Sciences Limited with Zuari Agro Chemicals Limited under section 391 to 394 and other applicable provisions of Companies Act, 1956 and section 230 to 232 of the Companies Act, 2013. The effective date of amalgamation was 13th November, 2017.

(a) Mangalore Chemicals & Fertilizers Limited (MCFL):

Mangalore Chemicals & Fertilizers Limited (MCFL) was a subsidiary of Zuari Fertilisers and Chemicals Limited (ZFCL). ZFCL held 53.03% total voting rights in MCFL. Pursuant to the amalgamation of ZFCL with the Company, MCFL has become direct subsidiary of the Company w.e.f. November 13, 2017 and accordingly the Company holds 53.03% total voting rights in MCFL.

MCFL has only one major business segment, viz. Fertilizers. It manufactures both Nitrogenous and Phosphatic fertilizers and is the only manufacturer of fertilizers in the state of Karnataka. About 60% of the Company's products are sold in the state of Karnataka, which meets about 20% of the needs of the farmers in the State. MCFL maintains a good share of the market in Kerala and a modest share in the neighbouring states of Tamil Nadu, Andhra Pradesh and Maharashtra.

The revenue from operations for the year ended March 31, 2018 was ₹ 269290.26 lacs as compared to ₹ 249399.35 lacs for the year ended March 31, 2017.

The profit before tax for the year ended March 31, 2018 was ₹ 7504.70 lacs as compared to ₹ 3011.92 lacs for the year ended March 31, 2017. Total Comprehensive Income stood at ₹ 6042.30 lacs for the year ended March 31, 2018 compared to ₹1952.11 lacs for the previous year.

(b) Adventz Trading DMCC :

Adventz Trading DMCC, a company incorporated in Dubai, was a wholly owned subsidiary of Zuari Speciality Fertilisers Limited (ZSFL). Pursuant to amalgamation of ZSFL with the Company, Adventz Trading DMCC has become direct subsidiary of the Company w.e.f. 13th November, 2017.

Adventz Trading DMCC is engaged in the business of trading in chemical fertilizers, seeds, pesticides etc.

31. Joint Ventures:

A brief review of the joint ventures of the Company are given here below:

(a) Zuari Maroc Phosphates Private Limited (ZMPPL):

Zuari Maroc Phosphates Private Limited (ZMPPL), a 50:50 joint venture with Office Cherifien Des Phosphates (OCP) S.A., was established as a Special Purpose Vehicle (SPV) for acquisition of stake in Paradeep Phosphates Limited (PPL). At present, ZMPPL is holding 80.45% of the equity stake in PPL.

ZMPPL's total revenue from operations for the year ended 31st March, 2018 was ₹ 15.08 lacs as against ₹ 17.79 lacs during the previous year.

The Profit/ (Loss) Before Exceptional Item for the year ended 31st March, 2018 was ₹ (28.07) lacs as against ₹ (26.64) lacs during the previous year. Profit/ (Loss) After Tax for the year was ₹ (28.07) lacs as compared to ₹ (29.22) lacs in the previous year.

PPL manufactures and markets Complex/Phosphatic fertilisers and intermediary products such as Phosphoric Acid and Sulphuric Acid which are crucial in the manufacture of Phosphatic fertilisers. All the products are marketed under the popular 'Navratna' brand. PPL's portfolio caters to almost all agricultural applications. PPL's plant is located in the port town of Paradeep in Odisha, with an installed annual capacity of 7,20,000 Metric Tonnes of DAP and other Phosphatic fertilisers.

PPL's total revenue from operation for the year ended 31st March, 2018 was ₹ 3,79,656.55 lacs as against ₹ 3,64,908.33 lacs during the previous year.

The Profit Before Exceptional Item for the year ended 31st March, 2018 was ₹ 27,738.80 lacs as against ₹ 19,209.61 lacs during the previous year. Profit After Tax for the year was ₹ 15,058.51 lacs as compared to ₹ 8,691.40 lacs in the previous year.

(b) MCA Phosphates Pte Limited (MCAP):

MCA Phosphates Pte Limited (MCAP), is a joint venture company between your Company and Mitsubishi Corporation (Mitsubishi), Japan, established as special purpose vehicle for investment in Peruvian Rock Phosphate Mining Project.

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

32. Directors' Responsibility Statement :

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

(a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

33. Compliance of Secretarial Standards:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable secretarial standards and that such systems are adequate and operating effectively.

34. Acknowledgements:

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

For and on behalf of the Board

Place : Gurgaon
Date : 25th May, 2018

S.K. Poddar
Chairman
DIN : 00008654

Annexure 'A' 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 fertilisers and other agri inputs, preserving and protecting the environment and ensuring a healthy neighbourhood.

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

2. Board of Directors:

The Board of Directors of the Company comprises eight members including, the Managing Director and seven Non-Executive Directors. 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, five Board meetings were held on 19th May, 2017, 28th July, 2017, 23rd October, 2017, 21st November, 2017 and 12th February, 2018.

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

Name of Director	Category of Directorship #	No. of Directorships in other Companies** as on 31-3-2018	No. of Board Meetings Attended	No. of shares held	Attendance at last AGM	No. of Board Committees of other Companies * as on 31-03-2018	
						Chairman	Member
S.K.Poddar++	Promoter/Chairman	12	5	179406	No	-	1
Kapil Mehan***	MD	N.A.	1	NIL	N.A.	N.A.	N.A.
Sunil Sethy$	MD	6	4	NIL	Yes	2	2
N. Suresh Krishnan	NED	9	5	NIL	Yes	1	4
Akshay Poddar +	NED	17	5	150585	No	1	3
J.N. Godbole	NED / I	7	5	NIL	Yes	3	4
Marco Wadia	NED / I	12	5	2811	Yes	4	4
Gopal Krishna Pillai	NED / I	6	4	NIL	Yes	2	2
Kiran Dhingra	NED / I	5	5	NIL	Yes	0	2

MD-Managing Director, I-Independent, NED-Non -Executive Director
* Includes Audit Committee and Stakeholders' Relationship Committee only
** Includes Directorship in other public and private companies
*** Ceased to be a Managing Director w.e.f. 3rd June, 2017.
$ Appointed as Additional Director w.e.f. 28th July, 2017 & Managing Director w.e.f. 1st August, 2017
\+ Mr. Akshay Poddar is the son of Mr. S.K. Poddar
++ Shares include held in individual capacity and as a trustee.

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

Mr. N. Suresh Krishnan retires by rotation and is eligible for re-appointment.

As per Section 152(6) of the Companies Act, 2013, a brief profile and information about the Director is given below:

Mr. N. Suresh Krishnan

Mr. N. Suresh Krishnan, an alumnus of BITS (Pilani) is a Non-Executive Director. He has 30 years of experience in operations, corporate finance, planning in fertilisers, energy and infrastructure sectors. He has been associated with the Adventz Group and related companies over two decades and has been widely acknowledged for his leadership, vision and commitment. His functional experience spans corporate finance, corporate strategy, projects planning, operations and business development. Over the years, he has been instrumental in financing of large Greenfield projects in the domestic and international markets, forging and managing joint ventures and acquisitions, and in executing turnaround strategies alongside day-to-day operations in the manufacturing sector. He is on the Board of several Adventz Group Companies.

Names of the Companies in which Mr. N. Suresh Krishnan is a Director as on 31st March, 2018:

Sr. No.	Names of the Companies / bodies corporate/ firms / association of individuals
1	Forte Furniture Products India Private Ltd
2	Zuari Maroc Phosphates Private Limited
3	Gobind Sugar Mills Limited
4	Mangalore Chemicals and Fertilisers Limited
5	The Fertiliser Association of India
6	Texmaco Infrastructure & Holdings Limited
7	Simon India Limited
8	Zuari Infraworld India Limited
9	Zuari Agro Chemicals Limited
10	Zuari Global Limited
11	Water Energy Food Transitions Research LLP

4. Board Agenda:

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

5. Formal letter of appointment to Independent Directors:

The Company issued a formal letter of appointment to all Independent Directors at the time of appointment in accordance with the provisions of the Companies Act, 2013 and Listing Regulations. The terms and conditions of appointment of Independent Directors is uploaded on the company's website.

6. Annual Performance evaluation:

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

The performance evaluation of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings, etc. Similarly, the evaluation of Directors was carried out on the basis of questionnaire containing criteria such as level of participation by individual directors, independent judgement by the director, understanding of the Company's business, etc.

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

7. Independent Directors' Familiarization Programme:

The Company in compliance with Regulation 25(7) of SEBI (LODR) Regulations, 2015 has formulated a programme to familiarize the Independent Directors with the company, their roles, and responsibilities. The Independent Directors are given detailed presentation on the operations of the company on quarterly basis at the meetings of the Board/ Committees. The details of the familiarization programme has been disclosed on the Company's website. The weblink for accessing the familiarization policy is ***https://www.zuari.in/assets/files/corporate-governance.***

8. Board Diversity Policy :

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

9. Independent Directors' Meeting:

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of the SEBI Listing Regulations, 2015, during the year the Meetings of the Independent Directors were held on 19th May, 2017 and 12th March, 2018, without the attendance of non-independent directors and members of the Management, inter alia, to discuss the following:

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

10. Board Committees

The Committees of the Board are as follows:

a) Audit Committee

The Audit Committee comprises three independent Directors and one Non -Executive Director. The permanent invitees include Managing Director, Chief Financial Officer and Head of Internal Audit. The Vice President & Company Secretary is the Secretary of the Committee. During the year, 7 meetings were held on 29th April, 2017, 19th May, 2017, 28th July, 2017, 22nd September, 2017, 23rd October, 2017, 12th February, 2018 and 12th March, 2018.

Terms of Reference

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

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

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

Names of the members	Status	Nature of Directorship	No. of meetings attended
Marco Wadia	Chairman	Non- Executive Independent Director	7
J.N. Godbole	Member*	Non- Executive Independent Director	5
N.Suresh Krishnan	Member	Non - Executive Director	7
Gopal Krishna Pillai	Member	Non- Executive Independent Director	6

*w.e.f. 19th May, 2017

b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises three Non-Executive Directors out of which two are Independent Directors. The Board has designated Mr. R.Y. Patil, Vice President & Company Secretary as Secretary of the Committee. The Committee met 3 times during the financial year ended 31st March, 2018 on 19th May, 2017, 28th July, 2017 and 12th February, 2018.

Terms of Reference:

The Board has constituted the Nomination & Remuneration Committee, as required under the Companies Act, 2013. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The Nomination & Remuneration Committee shall also formulate criteria for evaluation of Independent Directors and the Board and devise a policy on Board diversity. It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and for removal.

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

Name of the member	Status	Nature of Directorship	No. of meetings attended
Marco Wadia	Chairman	Non- Executive Independent Director	3
J.N. Godbole	Member	Non- Executive Independent Director	3
Akshay Poddar	Member	Non - Executive Director	3

Details of Remuneration to all the Directors for the year:

Payment of remuneration to the Managing Director was as recommended by the Nomination and Remuneration Committee and subsequently approved by the Board and the Shareholders of the Company. The remuneration comprises salary, incentives, bonus, performance incentives, and contribution to the Provident Fund, Superannuation Fund, Gratuity and others.

₹ In lacs

Managing Director	Salary including joining bonus	Perquisites	Retirement benefits	Total Remuneration
Kapil Mehan*	117.22	1.43	5.08	123.72
Sunil Sethy**	50.05	-	-	50.05

*upto 3-6-2017
**w.e.f. 1-8-2017

No commission was paid to Mr. Kapil Mehan and Mr. Sunil Sethy during the financial year.

The term of appointment of Managing Director is 2 years w.e.f. 1st August, 2017. Notice period for termination of appointment is six months on either side.

No severance pay is payable on termination of the appointment of Managing Director.

Sitting fees paid to Non-Executive Directors:

The Non-Executive Directors of the Company receive remuneration by way of sitting fees. The details of sitting fees paid to the Non-Executive Directors during the financial year ended 31st March, 2018 for attending the meetings of the Board and the Committees thereof is given below:

Sr. No.	Name of Director	Amount in (₹)
1.	S.K. Poddar	3,10,000
2.	Akshay Poddar	2,95,000
3.	N. Suresh Krishnan	6,05,000
4.	J.N. Godbole	5,85,000
5.	Marco Wadia	6,35,000
6.	Gopal Krishna Pillai	3,65,000
7.	Kiran Dhingra	2,50,000

Pecuniary relationship of Directors:

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

a) Remuneration paid to the Managing Director and Sitting Fees paid to the Non – Executive Directors;

b) Reimbursement of expenses incurred by the Directors in discharging their duties;

c) Professional fees of ₹ 16.73 Lacs paid to Crawford Bayley & Co during the year. Mr. Marco Wadia is a partner in Crawford Bayley & Co, Solicitors & Advocates, which has professional relationship with the Company. However, this is not considered material enough to infringe independence of Mr. Marco Wadia;

d) Mr. Saroj Kumar Poddar, Mr. Akshay Poddar and Mr. Marco Wadia are holding equity shares of the Company, details of which are given in this Report.

c) Stakeholders' Relationship Committee:

Stakeholders' Relationship Committee comprises two Independent Directors and one Non- Executive Director. The Board has designated Mr. R.Y. Patil, Vice President & Company Secretary as the Compliance Officer. The Committee met 4 times during the financial year ended 31st March, 2018 on 19th May, 2017, 28th July, 2017, 23rd October, 2017 and 12th March, 2018.

Terms of Reference:

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

There were 6 complaints received from the shareholders during the year, which were duly addressed. There were no outstanding complaints or share transfers pending as on 31st March, 2018.

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

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

d) Other Committees

Apart from the above stated Board Committees, the Board has also constituted other committees including Committee of Directors for Banking and Finance, Risk Management Committee, Corporate Social Responsibility (CSR), and Committee of Directors for QIP. The Committee meetings are held as and when the need arises and at such intervals as may be expedient.

11. Annual General Meetings:

a) Details of the previous three Annual General Meetings (AGM) are as follows:

Year	Location	Date	Time	Particulars of Special Resolution passed
2016-17	Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726	22-09-2017	10.00 A.M.	1. Waiver of recovery of excess remuneration paid to Mr. Kapil Mehan as Managing Director for the financial year 2015-16.
2015-16		29-09-2016	10.30 A.M.	1. Reclassification of certain shareholders from Promoter group category to Public category.
2014-15		21-09-2015	10.00 A.M.	1. Alteration in the Articles of Association of the Company by replacing all the existing regulations. 2. Appointment of Mr. Kapil Mehan as Managing Director of the Company.

b) Details of the Special Resolutions passed through Postal Ballot during the financial year 2017-18:

Procedure for Postal Ballot	As per Section 110 and Companies (Management Administration) Rules, 2014
Type of meeting	Postal Ballot
Date of Postal Ballot Notice	21st November, 2017
Type of Resolution	Special Resolution
Details of voting pattern	Votes in favour : 31489517 (99.99%) Votes against : 17 (0.0001%) Invalid votes : 34
Name of Scrutinizer for conducting Postal Ballot	Mr. Shivaram Bhat, Practicing Company Secretary
Date of declaration of result and date of approval	30th December, 2017 and 29th December, 2017
Items of Resolution passed through the Postal Ballot	Raising of funds through issue of securities

12. Disclosures

a) Mr. Marco Wadia, is a Partner of Crawford Bayley & Co., Solicitors & Advocates, which has a professional relationship with the Company. The professional fee of ₹ 16.73 Lacs paid to Crawford Bayley & Co. during the year is not considered material enough to infringe on the independence of Mr. Wadia. Accordingly, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives having potential conflict with the interest of the Company.

b) The Company has put in place a Vigil mechanism and adopted the Whistle Blower Policy and affirms that no person has been denied access to the Audit Committee. The information on Vigil mechanism is placed on the website of the Company.

c) The Company has formulated a policy for determining material subsidiaries and the policy is disclosed on the Company's website. The weblink for accessing the policy is **http://www.zuari.in/corporate-governance**

d) The Company has formulated a policy on dealing with Related Party transactions and the same is disclosed on the Company's website. The weblink for accessing the Related Party Transaction Policy is **http://www.zuari.in/corporategovernance**.

13. Means of communication

a. Quarterly Results:

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

b. Half-yearly Unaudited Financial Results:

Unaudited financial results for the half-year ended 30th September, 2017 were sent to each household of shareholders, apart from publishing in one English National Daily and Local Dailies, published in the language of the region where the registered office of the company is located.

c. **Web-site on which the results are displayed:** *www.zuari.in*

d. The Company does not publish official news-releases on its website. The Presentations made to institutional investors and analysts are uploaded on the Company's website.

14. Code of Conduct:

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

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

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

The Company has adopted a code of Prevention of Insider Trading in securities of the Company, pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has designated Vice President & Company Secretary, as the Compliance Officer and has authorised Managing Director to monitor compliance of said Regulations.

16. General Shareholders Information:

a) Annual General Meeting :

The Annual General Meeting of the Company will be held on 10th September, 2018 at Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726 at 11:30 A.M.

b) Financial Year: 1st April to 31st March

c) Financial calendar (Tentative):

Financial Period	Declaration of Financial Results
Results for the quarter ended 30th June, 2018	Within 45 days of the end of the quarter or such prescribed period
Results for the half-year ended 30th Sept. 2018	Within 45 days of the end of the quarter or such prescribed period
Results for the quarter ended 31st Dec. 2018	Within 45 days of the end of the quarter or such prescribed period
Audited Annual Results 2018-19	Within 60 days of the end of the quarter or such prescribed period

d) Date of book closure: 21st July, 2018 to 28th July, 2018 (inclusive of both days).

e) Dividend payment date: No dividend is proposed for the financial year 2017-18.

f) Management Discussion and Analysis forms part of this Report as Annexure 'D'

g) Listing on Stock Exchanges: Company's shares are presently listed on:

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
MUMBAI – 400 001

The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), MUMBAI – 400 051

The company has paid the annual listing fees to the stock Exchanges for the Financial Year 2017-18.

Stock Code:

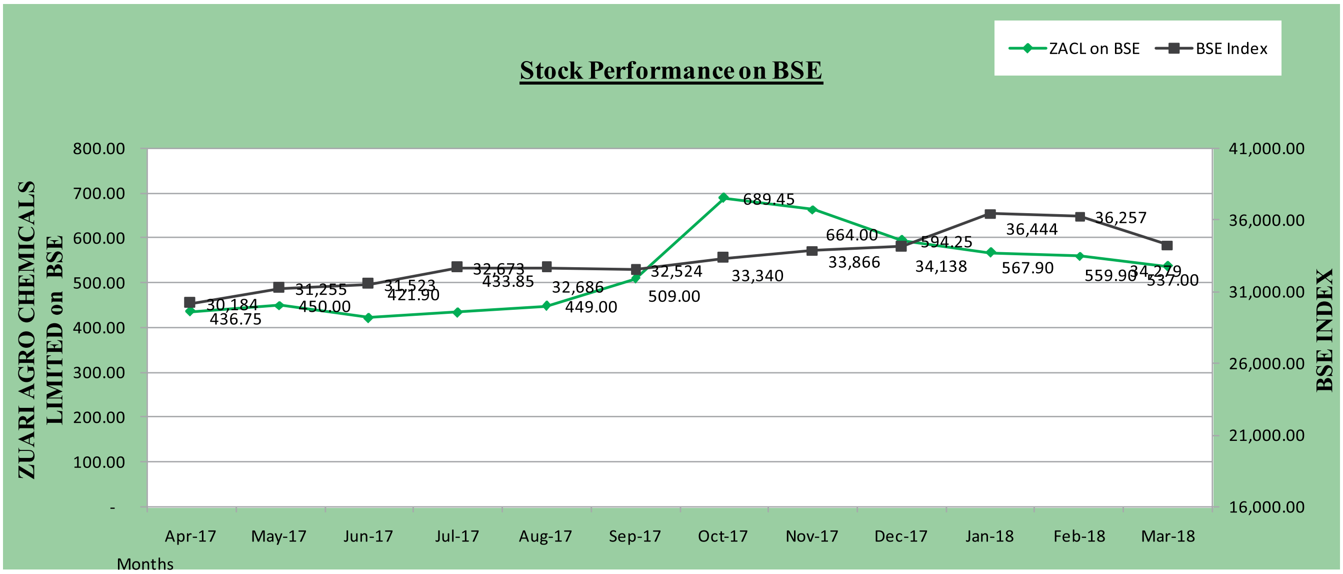
BSE Limited, Mumbai: 534742
The National Stock Exchange of India Limited,
Mumbai: ZUARI
International Standard Identification Number (ISIN):
INE840M01016

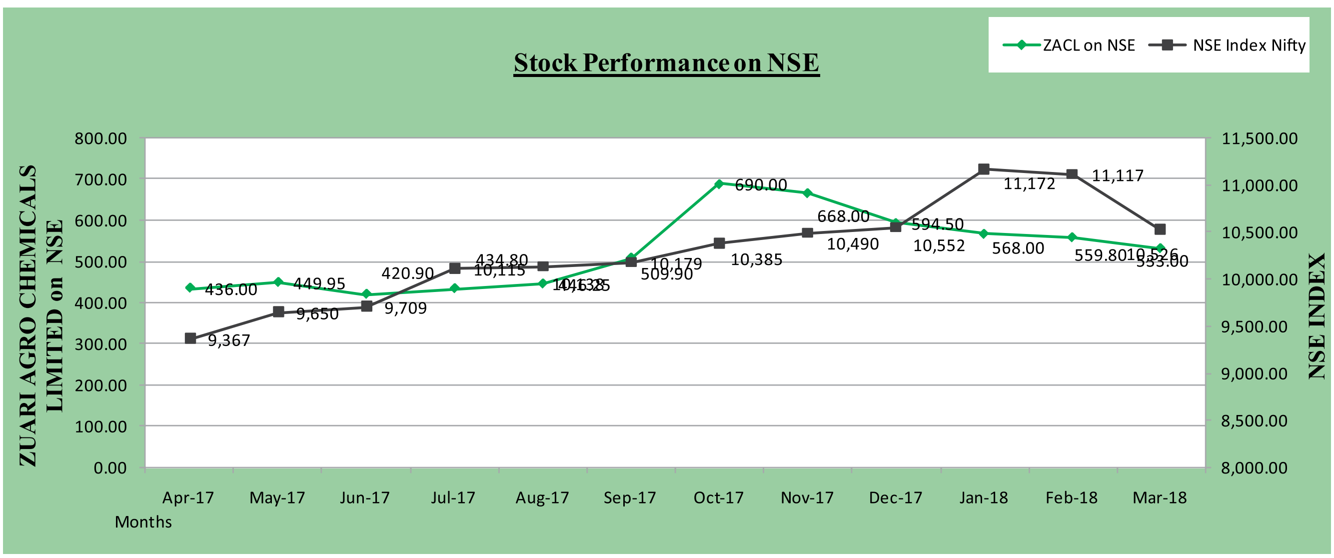
h) **Market Price Data:**

High/Low share prices at BSE & NSE during each month for the period 1st April, 2017 to 31st March, 2018 :

Month	ZACL on BSE		BSE INDEX	
	High (₹)	Low (₹)	High	Low
April, 2017	436.75	350.20	30184.22	29241.48
May, 2017	450.00	380.00	31255.28	29804.12
June, 2017	421.90	380.20	31522.87	30680.66
July, 2017	433.85	371.65	32672.66	31017.11
August, 2017	449.00	336.00	32686.48	31128.02
September, 2017	509.00	413.30	32524.11	31081.83
October, 2017	689.45	451.20	33340.17	31440.48
November, 2017	664.00	505.10	33865.95	32683.59
December, 2017	594.25	482.30	34137.97	32565.16
January, 2018	567.90	482.00	36443.98	33703.37
February, 2018	559.90	404.35	36256.83	33482.81
March, 2018	537.00	470.00	34278.63	32483.84

Month	ZACL on NSE		NSE INDEX	
	High (₹)	Low (₹)	High	Low
April, 2017	436.00	349.95	9367.15	9075.15
May, 2017	449.95	382.75	9649.60	9269.90
June, 2017	420.90	380.00	9709.30	9448.75
July, 2017	434.80	370.05	10114.85	9543.55
August, 2017	446.25	335.05	10137.85	9685.55
September, 2017	509.90	413.15	10178.95	9687.55
October, 2017	690.00	435.10	10384.50	9831.05
November, 2017	668.00	505.00	10490.45	10094.00
December, 2017	594.50	481.85	10552.40	10033.35
January, 2018	568.00	480.25	11171.55	10404.65
February, 2018	559.80	401.05	11117.35	10276.30
March, 2018	533.00	467.00	10525.50	9951.90





i) Shareholding as on 31st March, 2018:

a) The distribution of shareholding as on 31st March, 2018 :

No. of shares	No. of shareholders	% of shareholders
Upto 500	36823	95.20
501 - 1000	906	2.34
1001- 2000	412	1.07
2001 - 3000	171	0.44
3001 - 4000	89	0.23
4001 - 5000	60	0.16
5001 - 10000	96	0.25
10001 and above	122	0.32
	38679	**100.00**

b) Shareholding Pattern as on 31st March, 2018:

Category	No. of shares held	% shareholding
Promoters	27790419	66.08
Banks/Financial Institutions and Insurance Companies	2305367	5.48
Foreign Portfolio Investor/ Foreign Institutional Investors	687571	1.63
Mutual Funds/Alternate Investment Fund	1597573	3.80
NRIs/OCBs	167585	0.40
Private Bodies Corporate	3755936	8.93
Public	5753555	13.68
TOTAL	**42058006**	**100**

j) The securities of the Company were not suspended from trading during the year.

k) The Company has not issued GDRs/ADRs/Warrants or convertible instruments during the financial year.

l) Commodity price risk or foreign exchange risk and hedging activities:

As the Company is not engaged in business of commodities which are traded in recognized commodity exchanges, commodity risk is not applicable. Foreign Currency Exchange risk is hedged in accordance with the Policy formulated by the Company for that purpose and periodical update is given to the Board on a quarterly basis.

m) Dematerialization of shares and liquidity:

4,16,93,225 equity shares (99.13%) have been dematerialized as on 31st March, 2018.

n) Share Transfer System

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

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

o) The Address for correspondence is :

Registrar and Share Transfer Agent:

Link Intime India Pvt. Limited
C-101, 247 Park,
LBS Marg, Vikhroli West
Mumbai 400 083
Tel: 022 – 49186000 Fax: 022 – 49186060
Email: **rnt.helpdesk@linkintime.co.in**
Website: www.linkintime.co.in

Company's Address:

Zuari Agro Chemicals Limited
Jai Kisaan Bhawan,
Zuarinagar, Goa- 403 726.
Tel: 91-0832-2592180/2592509
Fax: 91-0832-2555279
E- mail: **shares@ adventz.com** and/or **investor.relations @adventz.com**
Web site: **www.zuari.in**

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

p) Plant Location:

Jai Kisaan Bhawan, Zuarinagar, Goa -403726

q) Other Disclosures:

All transactions entered by the Company with its related parties during the Financial Year 2017-18 were on an arm's length basis. The disclosure of material related party transactions u/s 188 of the Companies Act, 2013 in Form AOC-2 is enclosed as **Annexure-'J'** of the Directors Report. There was no material transactions related party transactions during the year which was in conflict with the interest of the Company. The Board has approved a policy for related party transactions which can be accessed at the Company's website.:www.zuari.in

ii. The Company has complied with the requirements of the Stock Exchanges/ SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these Authorities.

iii. The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.Company has also adopted schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

iv. The Company has also formulated a Whistle Blower Policy ("Policy") which provides for adequate safeguard against victimisation of persons and has a provision for direct access to the Chairperson of the Audit Committee. The Company has not denied any person from having access to the Chairman of the Audit Committee. Weblink for the policy: ***https://www.zuari.in/assets/files/corporate-governance***.

v. The Company has a policy for determining 'material' subsidiary and is disclosed on the website. The weblink for the same is: ***https://www.zuari.in/assets/files/corporate-governance***.

vi. The Company has Related Party Transaction Policy which is available on the website of the Company. The weblink for the same is: ***https://www.zuari.in/assets/files/corporate-governance***

r) Non mandatory Requirement:

The Company has complied with the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also following non mandatory requirements:

i) Providing half yearly unaudited financial results of the Company to each household of the shareholder.

ii) Sharing the expenses for maintaining the Chairman's Office.

iii) Internal Auditor reports directly to the Audit Committee.

Annexure 'B' To The Directors' Report

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY ZUARI AGRO CHEMICALS LIMITED

To the members of **ZUARI AGRO CHEMICALS LIMITED**

I have examined the compliance with conditions of Corporate Governance by **ZUARI AGRO CHEMICALS LIMITED** (`the Company`) under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") for the year ended 31st March 2018.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the LODR Regulations. This Certificate is issued pursuant to the requirements of Schedule V (E) of the LODR Regulations.

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

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

Shivaram Bhat
Practising Company Secretary
ACS No. 10454 : CP No. 7853

Place : Panaji, Goa
Date : 25th May, 2018

Annexure 'C' to the Directors' Report

DECLARATION BY THE MANAGING DIRECTOR

Pursuant to Regulation 26(3) of SEBI (LODR) Regulations, 2015, I, Sunil Sethy, 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 2017-18.

Place : Gurgaon
Date : 25th May, 2018

SUNIL SETHY
MANAGING DIRECTOR
DIN : 00244104

Annexure 'D' To The Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors is pleased to present the business analysis and outlook of Zuari Agro Chemicals Limited (ZACL) based on the current government policies and market conditions. The company is into manufacturing and selling fertilisers as well as trading in agri inputs.

GLOBAL ECONOMIC BACKDROP:

In 2017, global economic growth is estimated to have reached 3.0 per cent, a significant acceleration compared to growth of just 2.4 per cent in 2016. Labour market indicators continue to improve in a broad spectrum of countries, and roughly two-thirds of countries worldwide experienced stronger growth in 2017 than in the previous year. At the global level, growth is expected to remain steady at 3.0 per cent in 2018 and 2019.

The recent acceleration in world gross product growth stems predominantly from firmer growth in several developed economies, although East and South Asia remain the world's most dynamic regions. Cyclical improvements in Argentina, Brazil, Nigeria and the Russian Federation, as these economies emerge from recession, also explain roughly a third of the rise in the rate of global growth between 2016 and 2017. But recent economic gains remain unevenly distributed across countries and regions, and many parts of the world have yet to regain a healthy rate of growth.

Conditions for investment have generally improved, amid low financial volatility, reduced banking sector fragilities, recovery in some commodity sectors and a more solid global macroeconomic outlook. Financing costs generally remain low, and spreads have narrowed in many emerging markets, reflecting a decline in risk premia. This has supported rising capital flows to emerging markets, including a rise in cross-border lending, and stronger credit growth in both developed and developing economies.

Transition towards sustainable energy is advancing at a gradual pace. Renewables account for more than half of all recently installed power capacity, but still provide only about 11 per cent of global power generation. China remains the world's biggest investor in renewables, and renewable investment in 2017 will be supported by massive wind projects in Australia, China, Germany, Mexico, the United Kingdom and the United States. At a time when many countries, notably in Africa, continue to suffer from severe shortages of energy supply, there is enormous potential to lay the basis of environmentally sustainable growth in the future through smart policies and investments today.

Economic growth and population dynamics are driving the structural change of economies. The decline in the share of agriculture in total production and employment is taking place at different speeds and poses different challenges across regions. Although agricultural investments and technological innovations are boosting productivity, growth of yields has slowed to rates that are too low. Substantial changes will be required throughout the different elements of the food system and beyond if food security is to be provided for a predicted nine billion people. A rethinking of food systems and governance is essential for meeting current and future challenges.

i) World agriculture Outlook

Agricultural production will grow more slowly in the medium term. Expected slower population growth, together with more modest income growth, will slightly curb the expansion of global food demand in coming years. Some foods will be in greater demand than others, as rising incomes and increasing urbanization in developing countries continue to induce gradual diet changes. Consumption of meat, dairy products, fish, sugar, fruits and vegetables is seen as increasing more rapidly than consumption of cereals. Agricultural production will adapt to reduced demand for food and will expand at about the same rate in the coming years. Global inventories and stock-to-use ratios of most agricultural commodities are expected to contract during the next few years, supporting gradual but modest price increases.

Global wheat supplies for 2018/19 are projected to increase fractionally as higher beginning stocks are partially offset by a production decline following last year's record. Global wheat production is projected at 747.8 million tons, down 10.6 million from the previous year's record.

The global coarse grain outlook for 2018/19 is for higher production, increased use and lower ending stocks. Corn production is forecast up from a year ago, with the largest increases for China, Brazil, Argentina, Ukraine, and Russia. Global corn use is expected to grow 2 percent, while global corn imports are projected to increase 5 percent.

The 2018/19 global rice outlook is for record-high production, consumption, and trade. World rice production is projected at 489.5 million tons, up slightly from 2017/18 primarily on larger crops for Bangladesh, Thailand, and the United States more than offsetting reductions for China and India. Global rice consumption is projected at 488.6 million tons, up 2 percent from 2017/18 and led by China.

The 2018/19 global oilseed supply and demand forecasts include higher production, crush, exports, and lower ending stocks compared to 2017/18. Global oilseed production is projected up 20.9 million tons to 593.7 million, with higher soybean, sunflower, rapeseed, palm kernel, and copra partly offset by lower peanuts and cottonseed. Global soybean production is projected up 17.8 million tons to 354.5 million

The world 2018/19 cotton projections show a decline in stocks of 4.5 million bales, as consumption once again exceeds production. Global production is expected to fall marginally, as area declines 1 percent. Expected production in India the world's largest producer is unchanged from 2017/18.

Fertilizer industry would continue to contribute largely to the agriculture development .The fertilizer industry is expected to invest close to US$ 110 billion in more than 65 new production units, increasing global capacity by 90 million tonnes products. Based on current market conditions and a modest 1.4% demand growth projection during the next five years, the industry will face a supply-driven market, with growing structural imbalances.

According to the Food and Agriculture report world demand for total fertilizer nutrients is estimated to marginally grow through 2018. The demand for nitrogenous, phosphatic, and potash is forecasted to grow annually by 1.4%, 2.2%, and 2.6%, respectively, during the period. Over the next five years, the global capacity of fertilizer products, intermediates and raw materials will increase further. According to the Food and Agriculture Organization of the United Nations. Asian nations, led by China and India, are expected to account for 58% of the increase.

ii) World Food Scenario

A number of global trends are influencing food security, poverty and the overall sustainability of food and agricultural systems. The world's population is expected to grow to almost 10 billion by 2050,Income growth in low- and middle-income countries would hasten a dietary transition towards higher consumption of meat, fruits and vegetables, relative to that of cereals, requiring commensurate shifts in output and adding pressure on natural resources. Economic growth and population dynamics are driving the structural change of economies. The decline in the share of agriculture in total production and employment is taking place at different speeds and poses different challenges across regions. Although agricultural investments and technological innovations are boosting productivity, growth of yields has slowed to rates that are too low for comfort. Food losses and waste claim a significant proportion of agricultural output, and reducing them would lessen the need for production increases. However, the needed acceleration in productivity growth is hampered by the degradation of natural resources, the loss of biodiversity, and the spread of trans-boundary pests and diseases of plants and animals, some of which are becoming resistant to antimicrobials. Climate change affects disproportionately food-insecure regions, jeopardizing crop and livestock production, fish stocks and fisheries. Satisfying increased demands on agriculture with existing farming practices is likely to lead to more intense competition for natural resources, increased greenhouse gas emissions, and further deforestation and land degradation.

iii) Commodity prices

Oil prices are forecast to average $65 a barrel over 2018, up from an average of $53 a barrel in 2017, on strong demand from consumers and restraint by oil producers, while metals prices are expected to rise 9 percent this year, also on a pickup in demand and supply constraints, the World Bank said on Tuesday.

Prices for energy commodities – which include oil, natural gas, and coal -- are forecast to jump 20 percent in 2018, a 16 percentage point upward revision from October's outlook, the World Bank said in its April Commodity Markets Outlook. The metals index is expected to rise as a 9 percent drop in iron ore prices is offset by increases in all base metals prices, led by nickel, which is forecast to rise 30 percent.

Agricultural commodities, including food commodities and raw materials, are anticipated to see a price rise of over 2 percent this year on diminished planting prospects. Weather disruptions are expected to be minimal. Oil prices are expected to average $65/bbl over 2019 as well. Although prices are projected to decline from April 2018 levels, they should be supported by continued production restraint by OPEC and non-OPEC producers and strong demand. Upside risks to the forecast include constraints to U.S. shale oil output, geopolitical risks in several producing countries, and concerns the United States may not waive sanctions against Iran. Downside risks include weaker compliance with the oil producers' agreement to restrain output or outright termination of the accord, rising output from Libya and Nigeria, and a quicker-than-expected rise in shale oil output.

Oil prices have more than doubled since bottoming in early 2016, as the large overhang of inventories has been reduced significantly. Strong oil demand and greater compliance by the OPEC and non-OPEC producers with their agreed output pledges helped tip the market into deficit.

Grains and oils and meal prices are expected to rise in 2018, mostly due to lower planting intentions. The mild La Niña cycle that extended into the early part of the year only affected banana production in Central America and soybean production in Argentina and did not impact global markets for those crops substantially. The possible introduction by China of countervailing duties in response to U.S. tariff increases could impact the soybean market.

iv) Indian Agriculture

The 2nd advance estimates for production of major crops for 2017-18 released by Department of Agriculture, Cooperation and Farmers Welfare suggest record aggregate food grains production of 277.49mn tonnes in 2017-18. The record highs are on account of near normal rainfall during monsoon 2017 and various policy initiatives of the Government.

Amongst the food grains, crops like rice, coarse cereals, maize, pulses, gram and urad is expected to witness record high production level in 2017-18.

Total Oilseeds production in the country during 2017-18 is estimated at 29.88mn tonnes, which is lower by 1.39mn tonnes than the production of 31.28mn tonnes during 2016-17. However, the production during 2017-18 is marginally higher by 0.34mn tonnes than the five years average oilseeds production.

With a significant increase by 47.16mn tonnes over 2016-17, total production of sugarcane in the country during 2017-18 is estimated at 353.23mn tonnes. The production of sugarcane during 2017-18 is also higher by 11.19mn tonnes than the five years average sugarcane production of 342.04mn tonnes.

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Narendra Modi has given its approval for the increase in the Minimum Support Price (MSP) for raw Jute for 2017-18 season in order to protect the economic interests of the farmers. The CCEA has increased the MSP to a level of ₹ 3500 per quintal for 2017-18 season which indicates an increase of ₹ 300 (9.4%) over the previous year.

Production of Cotton is estimated at 33.92mn bales (of 170 kg each), higher than the previous year's production of 32.58mn bales. Further, it is also higher by 0.41mn bales than its ten years average production of 33.50mn bales.

India is the world's largest producer, consumer and exporter of spices; the country produces about 75 of the 109 varieties listed by the International Organization for Standardization (ISO) and accounts for half of the global trading in spices.

The IMD has upgraded its monsoon forecast from 96% to 98%. It has also forecast normal rainfall during July (96%) and August (99%), key months for the crucial kharif season. The IMD issued an update of monsoon forecast on Tuesday with region wise and monthly forecast. Rainfall over the country as a whole for the 2017 southwest monsoon season (June to September) is most likely to be NORMAL (96% to 104% of long period average (LPA)). Quantitatively, monsoon season rainfall for the country as a whole is likely to be 98% of the LPA with a model error of 44%.

v) Indian Fertilizer scenario

The Indian Fertilizer Industry has shown tremendous growth in the last five decades and at present ranks third in the world. India is the second largest consumer of fertilizers after China. India also ranks second in the production of nitrogenous fertilizers and third in phosphatic fertilizers whereas the requirement of potash is met through imports since there are limited reserves of potash in the country.

During the FY 2017-18 India has produced 414.3 LMT of fertilizers. Urea dominates the total fertilizer production in the country. While India is the world's second largest consumer of urea, the Government of India is working towards increasing the production of urea so as to minimize imports by 2022 and achieve self-sufficiency in Urea Production. Out of the total fertilizer production India produces only 10%-12% of DAP. Production of Complex Fertilizers includes the various grades of NPK Fertilizers. The Government is encouraging SSP production as SSP is also considered as a supplement to DAP, which is largely import based and costlier vis-a-vis SSP.

India is one of the leading producers of agricultural products such as pulses, wheat, rice, groundnut, potatoes, onion etc., thereby leading to high demand for fertilizers in the country. Moreover, expansion of fertilizers production capacities in India along with increasing government initiatives towards the reduction of imports of fertilizers are further anticipated to boost the growth of India fertilizers market in the coming years. However, manufacturers are bound to witness some major challenges like dependence on high imports ,raw material pricing & availability , long term stable state policy , imbalanced use of fertilisers etc , which would force them to rethink their strategy.

vi) Government initiatives for 2018-19

Subsidies on food, fertilizers and petroleum have been pegged higher by 15% to ₹ 2.64 lakh crore for the 2018-19 fiscal. The subsidy bill on food, petroleum and fertilizers is estimated at ₹ 2,64,335.65 crore for the financial year 2018-19, according to the Budget 2018-19. The subsidy bill is seen at ₹ 2,29,715.67 crore for the current financial year 2017-18, as per the revised Budget estimates. The government has earmarked ₹1,69,323 crore for food subsidy in the next fiscal as against ₹ 1,40,281.69 crore in the revised estimate of this fiscal. Food subsidy bill is pegged higher for the next fiscal on account of rising procurement cost and the government's decision to keep selling prices unchanged in the National Food Security Act, under which highly subsidised food grains is provided to over 80 crore people.

Fertilizer subsidy has been hiked to ₹ 70,079.85 crore for 2018-19 fiscal as against the revised estimate of ₹ 64,973.5 crore in the current financial year. For fertilizer subsidy, the government has allocated ₹ 44,989.5 crore in the next fiscal for urea sector as against ₹ 42,721.7 crore this fiscal. The budget allocation for phosphatic and potassic (P&K) fertilizers under the nutrient based subsidy scheme has been increased to ₹ 25,090.35 crore next fiscal from ₹ 22,251.8 crore in the current financial year.

The department of fertilizers has rolled out the direct benefit transfer (DBT) of subsidy across the country , however , the DBT model for fertilizers, is slightly different from that for others such as cooking gas, in which the ultimate consumer gets the entitlement in their bank account.DBT is expected to provide 100% payment to fertilizer companies on sale of fertilizers to farmers at subsidized rates.

However, as per various agencies , the implementation of direct benefit transfer (DBT) of fertilizer subsidy is likely to have a negative impact on the working capital cycle of the fertiliser industry in the near term owing to large subsidy backlog, inadequate subsidy provisioning in the Union Budget as well as shifting of subsidy realisation from point of dispatch to point of retail sale.

vii) Marketing

The company expanded its marketing reach in Northern Indian states of Punjab, Haryana, Uttar Pradesh and North Eastern states - in addition to Maharashtra, Karnataka, Goa, Andhra Pradesh, Telangana, Madhya Pradesh and Kerala. The total sales volume of fertilizers stood at 17.41 lakh MT during 2017-18 against 14.77 lakh MT achieved last year. There has been a clear direction and focus to generate more demand for Company's NPK products; special campaign and farm level activities were undertaken to create awareness of the crop specific benefit of NPK fertilizers and creating demand pull.

The overall sales in pesticides for the year were ₹ 147 lacs, whereas seeds clocked business worth ₹ 27 crores. The Company has started pre-placement of products in early Kharif markets and will solely be focusing on its own products. In the Specialty Fertilizer business, the Company achieved sales of ₹ 164 crores during FY 2017-18.

viii) Internal Control Systems and their Adequacy:

The company has adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. These are designed to provide reasonable assurance with respect to maintaining reliable financial and operational information, complying with applicable statutes, executing transactions with proper authorisation coupled with ensuring compliance of corporate policies through documented Standard Operating Procedure (SOP) and Limits Of Financial Authority Manual (LOAM). These documents are reviewed and updated on an ongoing basis to improve the internal control systems and operational efficiency. The company uses a state–of–the–art ERP (SAP) system to record data for accounting and managing information with adequate security procedure and controls.

The Company, through its own internal audit department supported by an external audit firm, carried out periodic audits based on the plan approved by the audit committee and brought out any deviations to internal control procedures. The observations arising out of audit are periodically reviewed and compliance ensured. The summary of the internal audit observations and status of implementation are submitted to the audit committee. The status of implementation of the recommendations is reviewed by the audit committee on a regular basis.

ix) Enterprise Risk Management (ERM):

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

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

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

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

x) Material development in human resources:

As a part of integration of Agri Business operations and to leverage the strengths of the Group companies, the Adventz Group has consolidated and restructured the Sales, Marketing and Supply & Distribution functions of PPL, ZACL and MCFL on 25th April, 2016 resulting in re-organized and re-aligned marketing territories pan India under 5 Zones & 27 Regional Marketing Offices with common frontline sales force. The Group envisages better operational efficiency and effective channel management through this consolidation and more empowerment. Zones will operate as independent profit centers supported by Zonal accountants in each zone.

The marketing activities for the group will be conceptualized and coordinated by the centralized marketing team located in Pune. The implementation of these will be carried out by the respective RMO's/Zones. To operate the integrated Sales & Marketing Operations, Job roles of various Functions / Depts. have been identified & finalized along with number of positions required for each role.

FINANCIAL REVIEW:

The Company's overall financial performance for the year 2017-18 has improved significantly despite of overall primary sales de-growth and poor rainfall in southern region of the country where company predominately sells its product. The total revenues from operations in 2017 -18 stood at ₹ 4,731.21 Crores as compared to ₹ 4,150.07 Crores in 2016-17. The Company had a profit before tax of ₹ 50.74 Crores in 2017-18 as compared to a loss before tax of ₹ 79.75 Crores in 2016-17. The profit after tax for 2017-18 was at ₹ 41.95 Crores as against a loss after tax for 2016-17 of ₹ 60.36 Crores. The Company's EBIDTA before exceptional item for 2017-18 was ₹ 423.08 Crores as against ₹ 353.81 Crores in 2016-17. The Finance Costs for 2017-18 was ₹ 315.82 Crores as against ₹ 330.02 Crores in 2016-17. During the year the Company's other income stood at ₹ 81.25 Crores as against ₹ 58.26 crores in the previous year.

The performance of Fertiliser division:

Particulars	2017-18	2016-17
Urea Production (MT)	472897	465132
Urea Sales (MT)	465325	465854
Di-Ammonium phosphates Production (MT)	218038	150932
Di-Ammonium phosphates Sales (MT)	223176	144956
Other Complex Fertilisers Production (MT)	470081	433061
Other Complex Fertilisers Sales (MT)	434380	422802
Sales of Finished Products (₹ In Lacs)	2,965.11	2,618.26

The performance of other divisions:

Particulars	2017-18	2016-17
Seed (Rs in Crores)	15.42	37.37
Specialty (Rs in Crores)	34.88	26.34
SSP (Rs in Crores)	72.25	45.33

The revenue from Traded products was ₹ 1,559.57 Crores during the financial year in comparison to ₹ 1,362.15 Crores in previous year. The sales of various products are as under:

Particulars	2017-18	2016-17
Di-Ammonium phosphates (MT)	237224	180112
Muriate of Potash (MT)	302904	197841
Single Super Phosphate (MT)	45877	57138
Urea (MT)	10493	6090
Other Complex Fertilisers(MT)	4609	2531
Sale of Speciality Fertilisers (₹ in Crores)	58.45	85.60
Sale of Other Traded Goods (₹ in Crores)	1343.61	1153.46
Sale of Traded Urea (₹ in Crores)	5.91	3.43
Pesticides (₹ in Crores)	149.29	117.43
Seeds (₹ in Crores)	2.32	2.23
Others (₹ in Lacs)	824.88	1026.87

OUTLOOK :

The various governmental initiatives in Union Budget for 2018-19 provides major focus on agriculture and rural India, with specific emphasis on enhancing the return to farmers by higher minimum support price, water resources and irrigation. On the monsoon front, most global models are indicating normal monsoon due to continued weakening of El Nino conditions over the coming months signaling normal rainfall over the country during June to September, 2018. Indian Meteorological Department estimates that monsoon will be 97% of the Long Period Average (LPA). This is expected to result in recharging of ground water levels and improve irrigation prospects. In light of the above, the consumption is expected to grow. There is also an enhanced focus on soil health and yield improvement through sustainable means to promote use of complex and speciality fertilisers. Also, with micro irrigation schemes being aggressively advocated by the Government, water soluble fertilizer consumption will pick up.

However, the Union budget allocation did not offer much to the fertiliser sector. The fertiliser subsidy is kept at ₹ 70,000 crore, which indicates that the subsidy arrears by end of F.Y. 2018-19 will be substantial, forcing the industry to continue to depend on their own working capital borrowings. The implementation of Direct Benefit Scheme (DBT) will also put pressure on the working capital.

OPPORTUNITIES :

For F.Y. 2018-19, there will be opportunities for growth in the regulated as well as the de-regulated segments. In the long run, increasing consumption provides substantial opportunities for the branded Agri Business, in terms of higher value specialty inputs for better quality agri produce. Higher consumption due to good monsoon during F.Y. 2017-18, liquidated the opening inventories in the P&K segment which augers good prospects for higher primary sales and selling price. In the Urea segment, the Company does not foresee short-term threats since the domestic demand-supply gap will continue to exist till such time that new capacity is added to achieve self-sufficiency.

RISKS AND CONCERNS:

The margins from operations of NPK plant, in view of imported input prices, primarily Ammonia and Phosphoric Acid, continue to be a cause of concern. The high credit and forex exposure on bulk trading continues to be a concern too. The growth in non-regulated segment brings to fore, the challenges in terms of quality management of third party sourced products. High subsidy and market outstanding continues to be a cause of concern leading to high working capital and interest cost eating into the profit margins.

CAUTIONARY STATEMENT:

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

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Annexure 'E to the Directors' Report

MGT - 9
Extract of Annual Return

As on the financial year ended on 31.03.2018(Pursuant to sec 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies(Management and Administration) Rules, 2014)

I. CORPORATE INFORMATION:

i)	CIN	L65910GA2009PLC006177
ii)	Registration Date	10-Sep-09
iii)	Name of the Company	Zuari Agro Chemicals Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered office and contact details	Jai Kisaan Bhawan, Zuarinagar, Goa, 403726. Tel No. 0832-2592509 Email Id: investor.relations@adventz.com Website: www.zuari.in
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Pvt. Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400083. Tel No. 91 22 49186000 Fax 91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10 % or more of the total turnover of the Company are as below:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacture of urea and other organic fertilizers	20121/22	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Mangalore Chemicals And Fertilizers Limited Level 11, UB Tower, UB City, No. 24, Vittal Mallya Road, Bangalore, Karnataka, India – 560 001 Ph. No. : 080-3985 5500/6000	L24123KA1966PLC002036	Subsidiary	53.03	2(87)
2	Zuari Maroc Phosphates Private Limited (formerly known as Zuari Maroc Phosphates Limited) 5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J.N Marg, Bhubaneswar,Orissa, 751001	U24124OR2002PTC017414	Joint Venture	50	2(6)
3	MCA Phosphates Pte. Limited 112 Robinson Road # 05-01, Singapore 068902	Foreign Company	Joint Venture	30	2(6)

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
4	Paradeep Phosphates Ltd.* 5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J. N. Marg, Bhubaneswar, Orissa, 751001	U24129OR1981PLC001020	Associate	40	2(6)
5	Adventz Trading DMCC Unit No. 1860, DMCC Business Centre, Level 1, Jewellery & Gemplex 3, Dubai, United Arab Emirates	Foreign Company	Subsidiary	100	2(87)

*Percentage of shares held indirectly by the Company

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoter s									
1 Indian									
a) Individual/ HUF	231027	0	231027	0.55	231027	0	231027	0.55	0
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	19917057	0	19917057	47.36	19917057	0	19917057	47.36	0
e) Banks / FI									
f) Any other									
Sub-total (A) (1)	20148084	0	20148084	47.91	20148084	0	20148084	47.91	0
2 Foreign									
a) NRIs - Individuals	150585	0	150585	0.36	150585	0	150585	0.36	0
b) Other - Individuals									
c) Bodies Corp.	7491750	0	7491750	17.81	7491750	0	7491750	17.81	0
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2)	7642335	0	7642335	18.17	7642335	0	7642335	18.17	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**27790419**	**0**	**27790419**	**66.08**	**27790419**	**0**	**27790419**	**66.08**	**0**
B Public Shareholding									
1 Institutions									
a) Mutual Funds	1911121	50	1911171	4.54	1538889	50	1538939	3.66	-0.88
b) Banks / FI	33833	3965	37798	0.09	20009	3965	23974	0.06	-0.03
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	2281243	200	2281443	5.42	2281243	200	2281443	5.42	0
g) FIIs	24301	400	24701	0.06	0	400	400	0	-0.06
h) Foreign Venture Capital Funds	146714	0	146714	0.35	687171	0	687171	1.63	1.28
i) Others (specify)									
i-Foreign Bank	217	0	217	0	217	0	217	0	0.00
ii-Alternate Investment Fund	0	0	0	0	58584	0	58584	0.14	0.14
iii- Foreign Portfolio Investors	146714	0	146714	0.35	687171	0	687171	1.63	1.28
Sub-total (B)(1):-	**4397429**	**4615**	**4402044**	**10.47**	**4586113**	**4615**	**4590728**	**10.92**	**0.45**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2 Non-Institutions									
a) Bodies Corp.									
i) Indian	4723771	16801	4740572	11.27	3739136	16800	3755936	8.93	-2.34
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	00
i) Individual shareholders holding nominal share capital upto ` 2 lakh	3336105	350226	3686331	8.76	3774481	340079	4114560	9.78	1.02
ii) Individual shareholders holding nominal share capital in excess of ` 2 lakh	825620	0	825620	1.96	1050407	0	1050407	2.50	0.54
c) Others (specify)									
i) Clearing Members	207160	0	207160	0.49	258376	0	258376	0.61	0.12
ii) Non Resident Indians	113095	2837	115932	0.28	164081	2837	166918	0.4	0.12
iii) Overseas Bodies Corp.	0	450	450	0	0	450	450	0	0
iv) Trusts	21878	0	21878	0.05	21981	0	21981	0.05	0
v)HUF	267600	0	267600	0.64	308231	0	308231	0.73	0.09
Sub-total (B)(2) :	9495229	370314	9865543	23.46	9316693	360166	9676859	23.01	-0.45
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**13892658**	**374929**	**14267587**	**33.92**	**13902806**	**364781**	**14267587**	**23**	**-10.92**
TOTAL (A)+(B)	**41683077**	**374929**	**42058006**	**100**	**41693225**	**364781**	**42058006**	**100**	**0**
C Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**41683077**	**374929**	**42058006**	**100**	**41693225**	**364781**	**42058006**	**100**	**0**

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Globalware Trading and Holdings Ltd.	74,91,750	17.81	-	74,91,750	17.81	-	-
2	Texmaco Infrastructure & Holdings Ltd.	3000125	7.13	-	3000125	7.13	-	-
3	Jeewan Jyoti Medical Society	138550	0.33	-	138550	0.33	-	-
4	Adventz Finance Private Limited	1424201	3.38	-	1424201	3.38	-	-
5	Duke Commerce Ltd.	111000	0.26	-	111000	0.26	-	-
6	Saroj Kumar Poddar	29406	0.07	-	29406	0.07	-	-
7	Adventz Securities Enterprises Ltd.	98804	0.23	-	98804	0.23	-	-
8	Adventz Investment Co. Pvt. Ltd.	15000	0.04	-	15000	0.04	-	-
9	Ricon Commerce Ltd.	8100	0.02	-	8100	0.02	-	-
10	Jyotsna Poddar	21621	0.05	-	21621	0.05	-	-
11	New Eros Tradecom Ltd.	1196767	2.85	-	1196767	2.85	-	-
12	Pilani Investment & Ind. Corp. Ltd.	434000	1.03	-	434000	1.03	-	-
13	Basant Kumar Birla	30000	0.07	-	30000	0.07	-	-
14	Zuari Global Limited	8411601	20.00	-	8411601	20.00	-	-
15	Zuari Management Services Ltd.	5078909	12.08	-	5078909	12.08	-	-
16	Saroj Kumar Poddar (trustee)	150000	0.36	-	150000	0.36	-	-
17	Akshay Poddar	150585	0.36	-	150585	0.36	-	-
TOTAL		**27790419**	**66.08**	**-**	**27790419**	**66.08**	**-**	**-**

iii) Change in Promoters' Shareholding : There has been no change in Promoters shareholding during the Financial Year

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	L and T Mutual Fund Trustee Ltd L and T India Value Fund				
	At the beginning of the year	1265691	3.01	-	-
	14/04/2017 Transfer	198954	0.47	1464645	3.48
	12/05/2017 Transfer	7322	0.02	1471967	3.50
	14/07/2017 Transfer	(10000)	(0.02)	1461967	3.48
	27/10/2017 Transfer	(24720)	(0.06)	1437247	3.41
	22/12/2017 Transfer	44432	0.11	1481679	3.52
	At the end of the year (or on the date of seperation, if seperated during the year)			1481679	3.52
2	Life Insurance Corporation of India				
	At the beginning of the year	1350526	3.21	1350526	3.21
	At the end of the year (or on the date of seperation, if seperated during the year)			1350526	3.21
3	Finquest Securities Private Limited				
	At the beginning of the year	-	-	-	-
	21/04/2017 Transfer	32000	0.08	32000	0.08
	21/07/2017 Transfer	300000	0.71	332000	0.79
	15/09/2017 Transfer	312900	0.74	644900	1.53
	29/09/2017 Transfer	1000	0.00	645900	1.54
	13/10/2017 Transfer	40000	0.10	685900	1.63
	20/10/2017 Transfer	5000	0.01	690900	1.64
	27/10/2017 Transfer	(151900)	(0.36)	539000	1.28
	03/11/2017 Transfer	(3000)	(0.01)	536000	1.27
	10/11/2017 Transfer	1500	0.00	537500	1.28
	17/11/2017 Transfer	12328	0.03	549828	1.31
	24/11/2017 Transfer	(928)	0.00	548900	1.31
	01/12/2017 Transfer	8594	0.02	557494	1.33
	08/12/2017 Transfer	82434	0.20	639928	1.52
	15/12/2017 Transfer	(90944)	(0.22)	548984	1.31
	22/12/2017 Transfer	144800	0.34	693784	1.65
	29/12/2017 Transfer	(4623)	(0.01)	689161	1.64
	05/01/2018 Transfer	(57663)	(0.14)	631498	1.50
	12/01/2018 Transfer	(20714)	(0.05)	610784	1.45
	19/01/2018 Transfer	10900	0.03	621684	1.48
	26/01/2018 Transfer	(10000)	(0.02)	611684	1.45
	02/02/2018 Transfer	37100	0.09	648784	1.54
	09/02/2018 Transfer	117555	0.28	766339	1.82
	23/02/2018 Transfer	237649	0.57	1003988	2.39
	02/03/2018 Transfer	81851	0.19	1085839	2.58
	09/03/2018 Transfer	67100	0.16	1152939	2.74
	16/03/2018 Transfer	13246	0.03	1166185	2.77
	23/03/2018 Transfer	37410	0.09	1203595	2.86
	31/03/2018 Transfer	(260356)	(0.62)	943239	2.24
	At the end of the year (or on the date of seperation, if separated during the year)	-	-	943239	2.24

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	SIL Investments Limited				
	At the beginning of the year	3143000	7.47		
	07/04/2017 Transfer	(75000)	(0.18)	3068000	7.29
	05/05/2017 Transfer	(17000)	(0.04)	3051000	7.25
	12/05/2017 Transfer	(10000)	(0.02)	3041000	7.23
	19/05/2017 Transfer	(16799)	(0.04)	3024201	7.19
	26/05/2017 Transfer	(16201)	(0.04)	3008000	7.15
	02/06/2017 Transfer	(9054)	(0.02)	2998946	7.13
	07/07/2017 Transfer	(11000)	(0.03)	2987946	7.10
	14/07/2017 Transfer	(6214)	(0.01)	2981732	7.09
	01/09/2017 Transfer	(129707)	(0.31)	2852025	6.78
	08/09/2017 Transfer	(169025)	(0.40)	2683000	6.38
	15/09/2017 Transfer	(105000)	(0.25)	2578000	6.13
	22/09/2017 Transfer	(110000)	(0.26)	2468000	5.87
	06/10/2017 Transfer	(140000)	(0.33)	2328000	5.54
	13/10/2017 Transfer	(120000)	(0.29)	2208000	5.25
	20/10/2017 Transfer	(90000)	(0.21)	2118000	5.04
	27/10/2017 Transfer	(150000)	(0.36)	1968000	4.68
	03/11/2017 Transfer	(100000)	(0.24)	1868000	4.44
	10/11/2017 Transfer	(60000)	(0.14)	1808000	4.30
	01/12/2017 Transfer	(40000)	(0.10)	1768000	4.23
	08/12/2017 Transfer	(120000)	(0.29)	1648000	3.92
	15/12/2017 Transfer	(80000)	(0.19)	1568000	3.73
	22/12/2017 Transfer	(120000)	(0.29)	1448000	3.44
	29/12/2017 Transfer	(60000)	(0.14)	1388000	3.30
	05/01/2018 Transfer	(120000)	(0.29)	1268000	3.01
	12/01/2018 Transfer	(100000)	(0.24)	1168000	2.78
	19/01/2018 Transfer	(80000)	(0.19)	1088000	2.59
	26/01/2018 Transfer	(80000)	(0.19)	1008000	2.40
	02/02/2018 Transfer	(30000)	(0.07)	978000	2.33
	09/02/2018 Transfer	605	0.00	214676	0.50
	16/02/2018 Transfer	(70000)	(0.17)	908000	2.16
	23/02/2018 Transfer	(10000)	(0.02)	898000	2.14
	02/03/2018 Transfer	(20000)	(0.05)	878000	2.09
	23/03/2018 Transfer	(6000)	(0.01)	872000	2.07
	At the end of the year (or on the date of seperation, if seperated during the year)	-	-	872000	2.07
5	General Insurance Corporation of India	565972	1.35	-	-
	At the end of the year (or on the date of seperation, if seperated during the year)	-	-	565972	1.35
6	Hypnos Fund Limited	0	0.00		
	06/10/2017 Transfer	100000	0.24	100000	0.24
	03/11/2017 Transfer	(11028)	(0.03)	88972	0.21
	17/11/2017 Transfer	11028	0.03	100000	0.24
	15/12/2017 Transfer	179953	0.43	279953	0.67
	22/12/2017 Transfer	2224	0.01	282177	0.68
	19/01/2018 Transfer	7300	0.02	289477	0.69
	26/02/2018 Transfer	19412	0.05	308889	0.73

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	02/02/2018 Transfer	44288	0.11	353177	0.84
	09/02/2018 Transfer	51941	0.12	405118	0.96
	16/02/2018 Transfer	6400	0.02	411518	0.98
	09/03/2018 Transfer	4065	0.01	415583	0.99
	16/03/2018 Transfer	24574	0.06	440157	1.05
	23/03/2018 Transfer	3119	0.01	443276	1.05
	31/03/2018 Transfer	34124	0.08	477400	1.14
	At the end of the year (or on the date of seperation, if seperated during the year)			477400	1.14
7	The New India Assurance Company Limited				
	At the beginning of the year	329695	0.78	329695	0.78
	At the end of the year (or on the date of seperation, if seperated during the year)	-	-	329695	0.78
8	Finquest Financial Solutions Private Limited				
	At the beginning of the year	0	0.00		
	10/11/2017 Transfer	3000	0.01	3000	0.01
	17/11/2017 Transfer	5163	0.01	8163	0.02
	24/11/2017 Transfer	10582	0.03	18745	0.04
	01/12/2017 Transfer	72857	0.17	91602	0.22
	08/12/2017 Transfer	24588	0.06	116190	0.28
	15/12/2017 Transfer	19027	0.05	135217	0.32
	22/12/2017 Transfer	(130149)	(0.31)	5068	0.01
	29/12/2017 Transfer	(2000)	0.00	3068	0.01
	19/01/2018 Transfer	17765	0.04	20833	0.05
	26/01/2018 Transfer	13886	0.03	34719	0.08
	02/02/2018 Transfer	25510	0.06	60229	0.14
	09/02/2018 Transfer	(55217)	(0.13)	5012	0.11
	16/02/2018 Transfer	141000	0.34	146012	0.35
	23/02/2018 Transfer	(101999)	(0.24)	44013	0.10
	02/03/2018 Transfer	(37177)	(0.09)	6836	0.02
	09/03/2018 Transfer	(6768)	(0.02)	38	0.02
	16/03/2018 Transfer	22084	0.05	22152	0.05
	23/03/2018 Transfer	(16815)	(0.04)	5337	0.01
	31/03/2018 Transfer	271924	0.65	277261	0.66
	At the end of the year (or on the date of seperation, if seperated during the year)	-	-	277261	0.66
9	Shriram Insight Share Brokers Ltd.				
	At the beginning of the year	795	0.00	-	-
	07/04/2017 Transfer	736	0.00	1531	0.00
	14/04/2017 Transfer	(941)	0.00	590	0.00
	21/04/2017 Transfer	159	0.00	749	0.00
	28/04/2017 Transfer	295	0.00	1044	0.00
	05/05/2017 Transfer	(960)	0.00	84	0.00
	12/05/2017 Transfer	81	0.00	165	0.00
	19/05/2017 Transfer	71	0.00	236	0.00
	26/05/2017 Transfer	235	0.00	471	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	02/06/2017 Transfer	(308)	0.00	163	0.00
	09/06/2017 Transfer	(143)	0.00	20	0.00
	16/06/2017 Transfer	1012	0.00	1032	0.00
	23/06/2017 Transfer	(863)	0.00	169	0.00
	30/06/2017 Transfer	(69)	0.00	100	0.00
	07/07/2017 Transfer	(85)	0.00	15	0.00
	14/07/2017 Transfer	41	0.00	56	0.00
	21/07/2017 Transfer	234	0.00	290	0.00
	28/07/2017 Transfer	(290)	0.00	0	0.00
	04/08/2017 Transfer	1506	0.00	1506	0.00
	11/08/2017 Transfer	(993)	0.00	513	0.00
	18/08/2017 Transfer	(14)	0.00	499	0.00
	25/08/2017 Transfer	(321)	0.00	178	0.00
	01/09/2017 Transfer	9	0.00	187	0.00
	08/09/2017 Transfer	135	0.00	322	0.00
	15/09/2017 Transfer	(147)	0.00	175	0.00
	22/09/2017 Transfer	145	0.00	320	0.00
	29/09/2017 Transfer	(95)	0.00	225	0.00
	06/10/2017 Transfer	(225)	0.00	0	0.00
	13/10/2017 Transfer	50	0.00	50	0.00
	20/10/2017 Transfer	1475	0.00	1525	0.00
	27/10/2017 Transfer	28984	0.07	30509	0.07
	03/11/2017 Transfer	56425	0.13	86934	0.21
	10/11/2017 Transfer	20081	0.05	107015	0.25
	17/11/2017 Transfer	137	0.00	107152	0.25
	24/11/2017 Transfer	860	0.00	108012	0.26
	01/12/2017 Transfer	10793	0.03	118805	0.28
	08/12/2017 Transfer	15842	0.04	134647	0.32
	15/12/2017 Transfer	1196	0.00	135843	0.32
	22/12/2017 Transfer	472	0.00	136315	0.32
	29/12/2017 Transfer	68576	0.16	204882	0.49
	30/12/2017 Transfer	(160)	0.00	204722	0.49
	05/01/2018 Transfer	9920	0.02	214642	0.51
	12/01/2018 Transfer	(905)	0.00	213737	0.51
	19/01/2018 Transfer	351	0.00	214088	0.51
	26/01/2018 Transfer	(234)	0.00	213854	0.51
	02/02/2018 Transfer	217	0.00	214071	0.51
	09/02/2018 Transfer	605	0.00	214676	0.51
	16/02/2018 Transfer	(1775)	0.00	212901	0.51
	23/02/2018 Transfer	(83)	0.00	212818	0.51
	02/03/2018 Transfer	(245)	0.00	212573	0.51
	09/03/2018 Transfer	508	0.00	213081	0.51
	16/03/2018 Transfer	60	0.00	213141	0.51
	23/03/208 Transfer	(725)	0.00	212416	0.50
	31/03/2018 Transfer	(27)	0.00	212389	0.50
	At the end of the year (or on the date of seperation, if seperated during the year)			212389	0.50

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	Mukul Mahavirprasad Agrawal				
	At the beginning of the year	150300	0.36		
	07/04/2017 Transfer	10000	0.02	160300	0.38
	21/04/2017 Transfer	10000	0.02	170300	0.40
	08/09/2017 Transfer	15000	0.04	185300	0.44
	15/09/2017 Transfer	5000	0.01	190300	0.45
	29/09/2017 Transfer	9700	0.02	200000	0.48
	At the end of the year (or on the date of seperation, if seperated during the year)	-	-	200000	0.48
11	Earthstone Holding (Two) Private Limited				
	At the beginning of the year	198225	0.47	-	-
	At the end of the year (or on the date of seperation, if seperated during the year)	-	-	198225	0.47
12	KOTAK EMERGING EQUITY SCHEME				
	At the beginning of the year	585520	1.39		
	07/04/2017 Transfer	(39036)	(0.09)	546484	1.30
	14/04/2017 Transfer	(2483)	(0.01)	544001	1.29
	21/04/2017 Transfer	(30000)	(0.07)	514001	1.22
	05/05/2017 Transfer	(4345)	(0.01)	509656	1.21
	23/06/2017 Transfer	(292)	0.00	509364	1.21
	07/07/2017 Transfer	(44093)	(0.10)	465271	1.11
	14/07/2017 Transfer	(38541)	(0.09)	426730	1.01
	21/07/2017 Transfer	(28439)	(0.07)	398291	0.95
	01/09/2017 Transfer	(15000)	(0.04)	383291	0.91
	08/09/2017 Transfer	(15000)	(0.04)	368291	0.88
	06/10/2017 Transfer	(3233)	(0.01)	365058	0.87
	13/10/2017 Transfer	(15000)	(0.04)	350058	0.83
	27/10/2017 Transfer	(70000)	(0.17)	280058	0.67
	17/11/2017 Transfer	(16873)	(0.04)	263185	0.63
	24/11/2017 Transfer	(66021)	(0.16)	197164	0.47
	01/12/2017 Transfer	(197164)	(0.47)	0	0.00
	At the end of the year (or on the date of seperation, if seperated during the year)	-	-	0	0.00

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Saroj Kumar Poddar (individual capacity)	29406	0.07	29406	0.07
2	Saroj Kumar Poddar(as a Trustee to Saroj and Jyoti Poddar Holdings Private Trust)	150000	0.36	150000	0.36
3	Akshay Poddar	150585	0.36	150585	0.36
4	Marco Wadia	2811	0.07	2811	0.07
5	R Y Patil	51	0.00	51	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

₹ in lacs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,363.84	732.14	-	3,095.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.78	3.29	-	8.06
Total (i+ii+iii)	**2,368.62**	**735.43**	**-**	**3,104.04**
Change in Indebtedness during the financial year				
Addition	4,598.34	2,515.00	-	7,113.34
Reduction	4,457.50	2,620.10	-	7,077.60
Net Change	140.84	(105.10)	-	35.74
Indebtedness at the end of the financial year				
i) Principal Amount	2,509.46	630.33	-	3,139.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.54	1.00	-	5.54
Total (i+ii+iii)	**2,514.00**	**631.33**	**-**	**3,145.32**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

₹ in Lacs

Sl. No.	Particulars of Remuneration	Managing Director	Managing Director
		Kapil Mehan *	Sunil Sethy **
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	117.22	50.05
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	1.42	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify (Retirement Benefits)	5.08	-
6	Total (A)	123.72	50.05
	Ceiling as per the Act	5% of the Net Profit	

* resigned w.e.f. 3rd June 2017

** appointed as Additional Director w.e.f. 28/07/2017 & Managing Director & KMP w.e.f. 1/8/2017

B. Remuneration to other Directors:

₹ in Lacs

Sr. No	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Marco Wadia	J.N.Godbole	Kiran Dhingra	Gopal Pillai	(₹)
	Fee for attending board committee meetings	6.35	5.85	2.50	3.65	18.35
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	6.35	5.85	2.50	3.65	18.35
2.	Other Non-Executive Directors		Saroj Kumar Poddar	Akshay Poddar	N.Suresh Krishnan	Total
	Fee for attending board committee meetings		3.10	2.95	6.05	12.10
	Commission					
	Others, please specify					
	Total (2)		3.10	2.95	6.05	12.10
	Total (B)=(1+2)					30.45
	Total Managerial Remuneration					173.77
	Overall Ceiling as per the Act			5 % of the Net Profit		

C. Remuneration to Key managerial personnel other than MD/ Manager / WTD

₹ in Lacs

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		R.Y. Patil	Sandeep Agrawal	
1.	Gross salary (a) Salary as per provisions contained in section17(1)of the Income tax Act,1961	61.59	94.48	156.07
	(b) Value of perquisites u/s17(2)Income-tax Act,1961	4.73	0.36	5.09
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as% of profit - others, specify...	-	-	-
5.	Others, please specify(Retirement Benefits)	2.71	6.76	9.47
	Total	69.03	101.60	170.63

VII. Penalties/Punishment/Compounding of Offences:

Type	Section of the companies Act	Brief description	Details of penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made If any (give details)
A. Company					
Penalty					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment			None		
Compounding					

Annexure 'F' to the Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

To,
The Members,
Zuari Agro Chemicals Limited
Jai Kisaan Bhawan,
Zuarinagar, Goa- 403726

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zuari Agro Chemicals Limited** (hereinafter called as the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2018 (hereinafter referred to as the "Audit Period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (provisions of external commercial borrowing and Overseas Direct Investment not applicable to the Company during the Audit Period);

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

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

VI. The following laws and Regulations applicable specifically to the Company (as per the representations made by the Company) viz.,

- a) Essential Commodities Act, 1955;
- b) Seeds Act, 1966, Seeds Rules, 1968 and Seeds (Control) Order, 1983;

c) Insecticide Act, 1968, Insecticides Rules, 1971 and Insecticides (Price, Stock Display and Submission of Reports) Order, 1986;

d) Fertilizer (Control) Order, 1985 and Fertilizer (Movement Control) Order, 1973;

e) Explosives Act, 1884; and

f) Static and Mobile Pressure Vessels (Unfired) Rules, 1981.

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India.

b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

I further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including Women Director as prescribed. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

The decisions were carried unanimously.

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

I further report that during the audit period:

a) the Company had made an application to the Central Government seeking approval pursuant to Section 197 in the matter of remuneration paid to the Managing Director during the year ended March 31, 2017 and a Special Resolution approving waiver of recovery of excess remuneration was passed at Annual General Meeting held on September 22, 2017. I am informed that said application is still under the consideration of the appropriate authorities.

b) The National Company Law Tribunal, Mumbai Bench by its order dated 14th September, 2017 has approved/sanctioned the scheme of amalgamation of

   (i) Zuari Fertilizers and Chemicals Limited,

   (ii) Zuari Speciality Fertilizers Limited and

   (iii) Zuari Agri Sciences Limited with the company under the provisions of section 391-394 of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956 and sections 230-232 of the Companies Act, 2013 as may be applicable. The appointed date of the Amalgamation is April 01, 2015.

c) The company has passed a Special Resolution to issue and allot equity shares for an amount upto ₹ 400 crores through private placement and / or preferential allotment and / or qualified institutional placement and / or any other permitted modes on December 29, 2017.

Place : Panaji, Goa
Date : 25th May, 2018

Shivaram Bhat
Practising Company Secretary
ACS No. 10454 & CP No. 7853

This Report is to be read with my letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

'ANNEXURE A'

(My report of even date is to be read along with this Annexure.)

I. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

II. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

III. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

IV. Whereever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

V. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

VI. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Panaji, Goa
Date : 25th May, 2018

Shivaram Bhat
Practising Company Secretary
ACS No. 10454 & CP No. 7853

Annexure 'G' to the Directors' Report

Format of reporting of Corporate Social Responsibility (CSR)

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

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

Our projects and initiatives are guided by our CSR Policy, and reviewed closely by the CSR Committee instituted and adopted by the Board of Directors as per **"Section 135 of the Companies Act, 2013".**

Driven by our passion to make a difference to society, the Company is committed to upholding the highest standards of corporate social responsibility, and has continued its progress on community initiatives with renewed vigour and devotion.

As a responsible business corporation, we have built sustainable and effective CSR initiatives that are vital towards fulfilling critical societal needs in the communities we operate in. We also believe that we have a larger responsibility towards making a difference within our industry and also in society at large. Our initiatives include skills development, promotion of rural development, healthcare & WASH (Water, Sanitation and Hygiene), and Education.

As a responsible business corporation, our company has built sustainable and effective CSR initiatives that are vital towards fulfilling critical societal need gaps in the communities we operate in. We also believe that we have a larger responsibility towards making a difference within our industry and also society at large.

Weblink to CSR Policy: http://zuari.in/sites/default/files/CORPORATESOCIALRESPONSIBILITYPOLICY.pdf

2. The Composition of the CSR Committee

a) Mr. Gopal Krishna Pillai - Chairman

b) Mr. J.N. Godbole - Member

c) Mr. Akshay Poddar - Member

d) Mr. Sunil Sethy - Member

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

The company had average net loss of ₹ 5995 lacs for the last three financial years.

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

NIL. As the company had average net loss for the last three financial years.

5. Details of CSR spent during the financial year:

Total amount spent for the financial year ₹ 64.95 lacs
Amount unspent : Nil

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

Sl. No	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and District where projects or programs was undertaken	Amount outlay (budget)project or programs wise (₹)	Amount spent on the projects or programs Sub heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Skills Development Initiative	"skills development"	Zuarinagar and surrounding villages in Goa	11.13 lacs	Direct expenditure - 100% Overheads - Nil	10.74 lacs	Sambhav Foundation (NGO)
2.	Sanitation, Education and Health Project	"slum development, sanitation. health, education"	Zuarinagar and surrounding villages in Goa	33.00 lacs	Direct expenditure - 100% Overheads - Nil	32.80 lacs	
3.	Provisioning of Drinking Water to villages	"safe drinking water"	Bellem & Danddo Villages, Goa	21.00 lacs	Direct expenditure - 100% Overheads - Nil	20.30 lacs	(Direct)
4.	Educational Scholarships for economically back-ward	"promoting education"	Mormugao Taluka, Goa	1.41 lacs	Direct expenditure - 100% Overheads - Nil	1.11 lacs	(Direct)
TOTAL (₹ in lacs)				**₹ 66.54**		**₹ 64.95**	

The two percent of the average net profit for the last three financial years of the company is Nil as the company had average net loss for the last three financial years. During the year 2017-18, the company spent a total of ₹ 64.95 lacs while implementing the CSR activities as per item no. 6 above.

The CSR interventions are being implemented in partnership with credible NGOs, as well as directly, and are carefully monitored.The CSR interventions slated to be implemented during the year 2018-19 have been designed.

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

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

Date : 25th May, 2018
Place : Gurgaon

Sunil Sethy
Managing Director
DIN: 00244104

Gopal Krishna Pillai
Chairman of CSR Committee
DIN: 02340756

Annexure 'H' to the Directors' Report

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

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18:

Sl. No.	Name of the Director	Ratio of the remuneration of Directors to the median remuneration of the employees of the Company
1	S.K.Poddar- Chairman*	Nil
2	Sunil Sethy – Managing Director	1:22
3	N. Suresh Krishnan—Non-Executive Director	Nil
4	Akshay Poddar - Non- Executive Director	Nil
5	J.N. Godbole - Independent Director*	Nil
6	Marco Wadia - Independent Director*	Nil
7	Gopal Pillai - Independent Director*	Nil
8	Kiran Dhingra - Independent Director*	Nil

* were paid sitting fees for attending the Meetings.

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

Sl. No.	Name of the Director	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year
1	S.K.Poddar- Chairman*	Nil
2	Mr. Sunil Sethy – Managing Director	Nil
3	N. Suresh Krishnan- Non Executive Director *	Nil
4	Akshay Poddar - Non Executive Director *	Nil
5	J.N. Godbole - Independent Director*	Nil
6	Marco Wadia - Independent Director*	Nil
7	Gopal Pillai - Independent Director*	Nil
8	Kiran Dhingra - Independent Director*	Nil
9	Sandeep Agrawal -Chief Financial officer	7.5%
10	R Y Patil - Vice President & Company Secretary	11%

* were paid sitting fees for attending the Meetings during the Financial Year.

(iii) The percentage increase in the median remuneration of employees in the financial year : 7.24 %

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

There are 820 permanent employees on the rolls of the Company during the financial year.

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

Other than the managerial personnel and KMP, the employees were given increment of 7.24 % on an average.

There were no exception circumstances for increase in the managerial remuneration.

(vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

On behalf of the Board of Directors

Date : 25th May, 2018
Place : Gurgaon

S. K. Poddar
Chairman
DIN : 00008654

Annexure 'I' to the Directors' Report

Form AOC-1

PART A

(Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	**Mangalore Chemicals & Fertilizers Limited (MCFL) *** ₹ In lacs	**Adventz Trading DMCC ***
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2017 to 31-03-2018	07-12-2016 to 31-03-2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	AED (1 AED = ₹ 17.74)
4.	Share capital	118,54.87	AED 50,000
5.	Reserves & surplus	35877.71	AED 13,58,712
6.	Total assets	253583.98	AED 31,64,088
7.	Total Liabilities	205851.40	AED 17,55,376
8.	Investments	-	-
9.	Turnover	269,290.26	AED 30,70,346
10.	Profit before taxation	7,504.70	AED 13,58,712
11.	Tax expense/(credit)	1,446.44	-
12.	Profit after taxation	6,058.26	AED 13,58,712
13.	Proposed Dividend	Re. 1 per equity shares of ₹ 10 each	-
14.	% of shareholding	53.03%	100%

* Direct Subsidiary of the Company w.e.f 13th November, 2017.

Note 1 : Names of subsidiaries which are yet to commence operations - Nil.
Note 2 : Names of subsidiaries which have been sold during the year - Nil.

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN:00244357

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President & Company Secretary
FCS: 2845

Place: Gurgaon
Date: 25th May, 2018

PART - B

Statement containing salient features of the Financial Statement of Joint Venture & Associates

(Pursuant to proviso to sub-section (3) of section 129 read with Rule 5 of the Companies(Accounts) Rules, 2014)

Sr. No.	Name of the Company	Joint Venture	Associate
		Zuari Maroc Phosphates Private Limited (Consolidated)	**MCA Phosphates Pte Limited (Consolidated) (Refer Note 1 below)**
1.	Latest audited Balance sheet	31st March, 2018	31st March, 2018
2.	Shares of Joint Ventures held by the Company on the year end		
	No.(No. of Shares)	17,98,16,228.00	2,16,90,000.00
	Amount of Investment in Joint Venture	17981.62	11943.48
	Extend of Holding	50.00%	30.00%
3	Description of how there is significant influence	Based on the percentage of Holding in the Joint Venture Company	Based on the percentage of Holding in the Joint Venture Company
4	Reason why the Joint Venture is not consolidated	Not Applicable	Not Applicable
5	Networth attributable to Shareholding as per latest audited Balancesheet	₹ 742.94 Crores	₹ 116.94 Crore
6	Profit/(Loss) for the year{Profit/(Loss) after Tax}	₹ 119.73 Crore	₹ (4.48) Crore
	i. Considered in Consolidation	₹ 59.87 Crore	₹ (1.34) Crore
	ii. Not considered in Consolidation	₹ 59.87 Crore	₹ (3.14) Crore

Note 1: Consolidated Financial Statements of MCA Phosphates Pte. Limited for the year ended 31st March, 2018 are unaudited.

Note 2: Associates or Joint Ventures which are yet to commence operations-None

Note 3: Joint Ventures which have been sold during the year-None

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN:00244357

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President & Company Secretary
FCS: 2845

Place: Gurgaon
Date: 25th May, 2018

Annexure 'J' to the Directors' Report

Form No. AOC - 2

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

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

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

There were no contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section188 of the Companies Act, 2013 which are not at arm's length basis during the year ended 31st March, 2018.

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Durations of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
Paradeep Phosphates Limited	Purchase of finished goods	Not applicable	Purchase of finished goods from Paradeep Phosphates Limited amounting to ₹ 12769.43 lacs.	28th July, 2017, 23rd October, 2017, 12th February, 2018 and 25th May,2018	Nil

Note: The threshold limit for materiality has been decided by the board in accordance with the provisions of section 188 read withRule 15 (3) of the Companies (Meetings of Board and its Powers) Rule, 2014.

For and on behalf of the Board of Directors,

Place: Gurgaon
Date: 25th May, 2018

S.K. Poddar
Chairman
DIN : 00008654

Independent Auditor's Report

To the Members of Zuari Agro Chemicals Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Zuari Agro Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position,financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the 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 the Company's Directors, 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 qualified audit opinion on the standalone financial statements.

Basis for qualified opinion

Attention is drawn to Note 46 of the financial statements explaining the evaluation of recoverable amounts as required under IND AS 39 to assess impairment provision, if any, on the Company's investment of ₹ 11,943.48 lakhs in the rock phosphate mining project through MCA Phosphate Pte Ltd, a joint venture company. The joint venture company audited by another auditor has provided for diminution in the entire value of the said investment. The Company has received the valuation report; based on valuation carried out by external valuer; the value indicated is higher than the carrying amount. However we were unable to review the valuation report; Pending such review and in the absence of other sufficient appropriate audit evidence, we are unable to comment on the adjustments, if any, required to be made to the financial statements, in this regard.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the standalone Ind AS 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, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 43 of the financial statements, wherein the Company is carrying receivable of ₹ 1,949.03 lakhs in relation to subsidy income accrued during the year ended March 31, 2013. The subsidy income is receivable since March 2013. Based on the legal opinion obtained by the Company, the amount is fully recoverable from the department of fertilisers. Pending settlement of the differential subsidy amount as more fully explained in note, the Company has not made any provision in this regard in the financial statements. Our opinion is not qualified in respect of this matter.

Other Matter

The comparative financial information of one of the unit for the year ended March 31, 2017 included in these standalone Ind As financial statement, are based on the previously issued standalone financial statement prepared in accordance with the recognition and measurement principles of the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 18, 2017 expressed an unmodified opinion on those standalone financial statement.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   (a) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph,we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required bylaw have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33(b) to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: May 25, 2018

Annexure referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Zuari Agro Chemicals Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been 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 discrepancies observed on such verification, as compared to the book records, were not material. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of the assets.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties, included in fixed assets are held in the name of the Company, except for the immovable properties acquired during demerger of fertiliser undertaking from Zuari Global Limited in an earlier year aggregating to ₹ 30.08 lakhs and immovable properties aggregating to ₹ 325.17 acquired under scheme of merger during the year, for which title deeds are not in the name of the Company and conveyance deeds in respect of the same are yet to be executed in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) 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 are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) 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 148(1) of the Companies Act, 2013, related to the manufacture of Fertiliser and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, , service tax, duty of customs, duty of excise, value added taxes, 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, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act	Demand for non submission of "F form"	96.77	2011-12 to 2012-13	Commercial Tax Department, Jaipur
Central Sales Tax Act	Demand for non submission of "C form"	2.48	2013-14	Commercial Tax Department, Madhya Pradesh
Rajasthan Value Added Tax Act, 2003	Excess input credit availed	22.33	2011-12	Commercial Tax Department

Name of the Statute	Nature of the Dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Rajasthan Value Added Tax Act, 2003	Excess input credit availed	9.77	2013-14	Commercial Tax Department
Kerela Value Added Tax Act, 2003	Demand for conceding an inter-state transfer out of taxable items	15.52	2009-10	Commercial Tax Department
MVAT Act, 2002	VAT Payable	5.87	2010-11	Joint Commissioner Appeals
UP Value Added Tax Act 2008	Penalty order received for delay in Payment of tax from Lucknow, UP	9.23	2016-17	Commercial tax department
UP Value Added Tax Act 2008	Exparte Order received	4.34	May-16 to July-16, Sep 16, Oct 16, Dec-16	Commissioner of Customs Appeals
AP Value Added Tax Act 2005	Excess input credit availed	1.90	2015-16	Commercial tax department
Chhatisgarh Value Added Tax Act 2003	Excess input credit availed	0.08	2012-13	Commercial tax department
Customs Act, 1962	Demand for differential custom duty	458.12	24.03.2011 to 02.12.2011 01.04.2001 to 28.02.2006 2002-03 to 2003-04 2006-07 to 2008-09	CESTAT
Customs Act, 1962	Demand for differential custom duty	64.28	2006-07 to 2008-09	Commissioner of Customs Appeals
Income Tax Act, 1961	Income tax demand	260.42	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax demand	39.55	2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax demand	66.79	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	TDS Demand for late filling	2.86	2017-18	Commissioner of Income Tax (TDS)
Entry of goods into Local Areas Act, 2001(Telangana)	Demand for not complying with the condition for usage	0.08	2012-13	Deputy Commercial Tax

(viii) According to the information and explanations given by the management, the Company has delayed in repayment of loans or borrowings to financial institutions and banks during the year to the extent of ₹ 1,917.28 lakhs (the delay in such repayments being for less than 55 days in each individual case) and Nil of such dues were in arrears as on the balance sheet date. The Company did not have any outstanding debentures and dues from government.

(ix) According to the information and explanations given by the management and on an overall examination of the balance sheet, we report that money raised by way of term loans were applied for the purposes for which those were raised. The Company has not raised money by way of initial public offer / further public offer and debt instruments.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

However, the approval of Central Government in respect of excess remuneration paid to Managing Director amounting to ₹ 149.82 lakhs in an earlier year is awaited.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: May 25, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ZUARI AGRO CHEMICALS LIMITED

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

We have audited the internal financial controls over financial reporting of Zuari Agro Chemicals Limited ("the Company") as of March 31, 2018in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2018:

(a) The Company's internal financial controls over evaluation of provision for impairment in the value of investments were not operating effectively which could potentially result in the Company not recognising provision for impairment in the value of investments.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India,as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of Zuari Agro chemicals Limited, which comprise the Balance Sheet as at March 31, 2018, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 standalone financial statements of Zuari Agro Chemicals Limited and this report affect our report dated May 25, 2018, which expressed a qualified opinion on those financial statements.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: May 25, 2018

Balance Sheet as at 31 March 2018

(Amount in Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
I ASSETS			
(1) Non-current assets			
Property, Plant and Equipment	**3**	48,215.68	46,211.55
Capital work-in-progress	**3**	11,353.05	12,919.87
Investment Property	**5**	362.29	362.29
Other Intangible Assets	**4**	2,067.20	2,091.79
Intangible Assets under development	**4**	-	19.34
Financial Assets			
(i) Investments	**6A**	89,712.87	91,077.29
(ii) Loans	**6B**	675.94	560.29
(iii) Others	**6C**	1,719.62	46.85
Deferred tax asset (Net)	**17**	9,208.20	8,310.66
Other assets	**7**	7,967.83	9,177.61
Tax Assets (Net)	**17A**	5,178.06	6,707.08
		176,460.74	**177,484.62**
(2) Current assets			
Inventories	**8**	65,675.53	44,869.78
Financial Assets			
(i) Trade receivables	**9**	223,375.34	221,072.10
(ii) Cash and cash equivalents	**10**	3,349.40	672.47
(iii) Bank balances other than (ii) above	**10.1**	1,305.51	18.52
(iv) Loans	**6B**	1,784.27	2,369.63
(v) Others	**6C**	30,081.98	21,142.95
Other assets	**7**	6,652.24	3,030.99
		332,224.27	**293,176.44**
Total Assets		**508,685.01**	**470,661.06**
II EQUITY AND LIABILITIES			
Equity			
Equity Share capital	**11**	4,205.80	4,205.80
Other Equity		64,340.17	61,982.75
Total Equity		**68,545.97**	**66,188.55**
LIABILITIES			
(1) Non-current liabilities			
Financial Liabilities			
(i) Borrowings	**12 A**	32,342.38	39,343.51
(ii) Others	**14**	79.97	106.37
Provisions	**16**	48.95	45.31
Other liabilities	**15**	102.34	119.40

Balance Sheet as at 31 March 2018

(Amount in Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
(2) Current liabilities			
Financial Liabilities			
(i) Borrowings	**12 B**	270,154.45	256,795.83
(ii) Trade payables	**13**	95,121.53	60,345.81
(iii) Others	**14**	23,200.44	30,155.41
Provisions	**16**	2,404.68	2,611.87
Other liabilities	**15**	16,684.30	14,949.00
Total Equity and Liabilities		**508,685.01**	**470,661.06**
Summary of significant accounting policies	**2**		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E/E300005

per **ANIL GUPTA**
Partner
Membership No. 87921

Place: New Delhi
Date: May 25, 2018

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

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN: 00244357

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President & Company Secretary
FCS: 2845

Place: Gurgaon
Date: May 25, 2018

Statement of Profit and Loss for the year ended 31 March 2018

(Amount in Rupees lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
I	**REVENUE**			
	Revenue From Operations	18	464,995.68	409,180.39
	Other Income	19	8,124.87	5,826.30
	Total Revenue (I)		**473,120.55**	**415,006.69**
II	**EXPENSES**			
	Cost of Materials Consumed	20	220,346.66	187,614.97
	Purchases of traded goods	20(a)	141,088.94	107,575.46
	Changes in inventories of finished goods, traded goods and work in progress	21	(23,431.70)	2,321.00
	Excise duty on goods	22	239.34	1,528.96
	Employee benefits expense	23	9,302.76	9,178.22
	Finance costs	24	31,582.14	33,002.28
	Depreciation and amortization expense	25	4,258.09	3,920.51
	Other expenses	26	83,266.39	71,407.08
	Total Expenses (II)		**466,652.62**	**416,548.48**
III	**Profit/ (Loss) before exceptional items and tax (I - II)**		6,467.93	(1,541.79)
IV	Exceptional Items	29	1,393.54	6,433.05
V	**Profit/ (Loss) before tax (III - IV)**		5,074.39	(7,974.84)
VI	**Tax expense:**			
	(1) Current Tax	17	1,799.09	-
	(2) MAT Credit	17	(1,799.09)	-
	(3) Deferred Tax	17	2,379.32	(1,938.80)
	(4) Deferred Tax in respect of earlier years	17	(1,500.10)	-
	Total tax expense/ (credit)		**879.22**	**(1,938.80)**
VII	**Profit/ (Loss) for the year (V - VI)**		**4,195.17**	**(6,036.04)**
VIII	**Other Comprehensive Income/ (Loss)**		**(1,331.55)**	**1,388.12**
	A Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		63.93	146.96
	Income tax realting to items that will not be reclassified to Profit and Loss		(22.34)	(50.86)
	Net (loss)/gain on financial instruments		(1,373.14)	1,292.02
IX	**Total Comprehensive Income/(loss) for the year (VII + VIII)**		2,863.62	(4,647.92)
	(Comprising Profit (Loss) and Other Comprehensive Income for the year)			
X	Earnings/ (Loss) per equity share: (nominal value of share ₹ 10/- (31 March 2017 - ₹ 10/-))	28		
	(1) Basic		9.97	(14.35)
	(2) Diluted		9.97	(14.35)
	Summary of significant accounting policies	2		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E/E300005

per **ANIL GUPTA**
Partner
Membership No. 87921

Place: New Delhi
Date: May 25, 2018

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

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN: 00244357

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President & Company Secretary
FCS: 2845

Place: Gurgaon
Date: May 25, 2018

Statement of Cash Flows for the year ended 31 March 2018

(Amount in Rupees lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
A	**Cash Flow from Operating Activities**			
	Profit / (loss) before tax		5,074.39	(7,974.84)
	Adjustments:			
	Depreciation / amortisation	**25**	4,258.09	3,920.51
	Loss on disposal of property, plant and equipment (net)	**26**	241.49	77.72
	Excess Provision / Unclaimed Liabilities / unclaimed balances written back	**19**	(273.94)	(108.98)
	Bad debts, claims and advances written off	**26**	173.01	216.26
	Provision for doubtful debts, claims and advances	**26**	1,800.33	77.95
	Subsidy claims written off	**26**	138.90	185.29
	Loss / (Profit) on sale of current investments	**19**	-	(3.80)
	Incentive under PSI Scheme	**19**	(17.05)	(17.05)
	Unrealized foreign exchange fluctuation loss		1,073.42	1,865.63
	Interest expense	**24**	26,209.51	25,020.97
	Interest income	**19**	(6,096.45)	(4,825.64)
	Dividend income	**19**	(316.38)	-
	Operating Profit before Working Capital changes		**32,265.32**	**18,434.02**
	Movements in working capital :			
	Increase/ (decrease) in provisions		(139.62)	235.92
	Increase in trade payables and other liabilities		31,240.69	8,089.03
	Decrease/(Increase) in trade receivables		(2,848.94)	55,008.08
	Decrease/ (Increase) in Inventories		(20,805.75)	4,973.77
	(Increase) in other assets, financial assets		(10,662.35)	(5,073.03)
	Decrease/ (Increase) in loans and advances		(846.21)	91.00
			(4,062.18)	**63,324.77**
	Cash Generated From Operations		**28,203.14**	**81,758.79**
	Less : Direct Tax paid (net of refunds)		(270.08)	(3,175.47)
	Net Cash Flow from Operating Activities (A)		**27,933.06**	**78,583.32**
B	**Cash Flow from Investing Activities:**			
	Purchase of property, plant and equipment, including intangible assets, CWIP and capital advances		(3,203.60)	(12,593.02)
	Proceeds from sale of Property, plant and equipment		2.67	107.17
	Purchase of non-current investments		(8.72)	(6,338.73)
	Advance for purchase of investments received back		-	11,920.00
	Purchase of current investments		-	(15,000.00)
	Proceeds from sale/ maturity of current investments		-	15,003.80
	Proceeds from/ (investment in) bank deposits (having original maturity of more than 3 months)		(1,284.96)	(0.45)
	Interest received		2,449.94	6,674.54
	Realisation/ (Payment) in unclaimed dividend account		(2.04)	0.05
	Dividend received		316.38	-
	Net cash flow (used in) investing activities (B)		**(1,730.33)**	**(226.64)**

Statement of Cash Flows for the year ended 31 March 2018

(Amount in Rupees lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
C	**Net Cash Flow From Financing Activities:**			
	Proceeds from long term borrowings		21,466.24	7,605.34
	(Repayment) of long term borrowings		(30,444.50)	(2,573.90)
	Proceeds from Buyer's Credit		219,741.41	238,677.39
	(Repayment) of Buyer's Credit		(246,631.27)	(3,00,670.67)
	Proceeds from short term loans		309,985.00	3,30,460.03
	(Repayment) of short term loans		(306,316.00)	(3,09,571.06)
	Proceeds from/ (Repayment) of other short term borrowings	27	35,696.11	(16,647.25)
	Dividend paid on equity shares		(418.54)	(0.05)
	Tax on equity dividend paid		(85.62)	-
	Interest paid		(26,518.61)	(25,739.31)
	Net cash flow (used in) in financing activities (C)		**(23,525.80)**	**(78,459.48)**
D	**Net (decrease)/increase In cash and cash equivalents (A + B + C)**		**2,676.93**	**(102.80)**
	Cash and cash equivalents (Opening)		672.47	775.27
	Cash and cash equivalents (Closing)	9	3,349.40	672.47

CASH AND CASH EQUIVALENTS	**For the year ended 31 March 2018**	For the year ended 31 March 2017
Balances with banks		
- On Current accounts	3,347.35	671.93
Cash on hand	1.76	0.39
Cheques/drafts on hand	0.29	0.15
Cash and cash equivalents	**3,349.40**	**672.47**

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES	**1 April 2017**	**Cash Flows**	**Foreign Exchange Movement**	**31 March 2018**
Long term borrowings (Refer Note 12A & 14)	52,802.07	(8,978.26)	-	43,823.81
Short term borrowings (Refer Note 13)	256,795.83	12,475.25	883.37	270,154.45
Cash and cash equivalents	**309,597.90**	**3,496.99**	**883.37**	**313,978.26**

* Cash Flow from operating activities for the March 31, 2018 is after considering Corporate Social Responsibility Expenditure of ₹ 40.22 lakhs (31 March 2017: ₹ 71.64 lakhs).

Summary of significant accounting policies

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E/E300005

per **ANIL GUPTA**
Partner
Membership No. 87921

Place: New Delhi
Date: May 25, 2018

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

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN: 00244357

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President & Company Secretary
FCS: 2845

Place: Gurgaon
Date: May 25, 2018

Statement of Changes in Equity for the year ended 31 March 2018

(Amount in Rupees lakhs, unless otherwise stated)

(a) Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount (₹ In lakhs)
At 31 March 2017	42,058,006	4,205.80
At 31 March 2018	42,058,006	4,205.80

(b) Other equity

For the year ended 31 March 2018: (₹ in lakhs)

	Reserves and surplus			Item of OCI	
	Business Restructuring Reserve *	Surplus in the statement of profit and loss	General reserve	Equity/(Debt) instruments through OCI	Total
As at 1 April 2017	**65,404.84**	**(10,864.11)**	**6,150.00**	**1,292.02**	**61,982.75**
Profit for the year	-	4,195.17	-	-	4,195.17
Other comprehensive income/(loss)	-	41.59	-	(1,373.14)	(1,331.55)
Total comprehensive income/(loss) for the year	**-**	**4,236.76**	**-**	**(1,373.14)**	**2,863.62**
Cash dividends	-	(420.58)	-	-	(420.58)
Dividend distribution tax (DDT)	-	(85.62)	-	-	(85.62)
At 31 March 2018	**65,404.84**	**(7,133.55)**	**6,150.00**	**(81.12)**	**64,340.17**

For the year ended 31 March 2017:

	Reserves and surplus			Item of OCI	
	Business Restructuring Reserve *	Surplus in the statement of profit and loss	General reserve	Equity/(Debt) instruments through OCI	Total
As at 1 April 2016	**65,404.84**	**(4,924.17)**	**6,150.00**	**-**	**66,630.67**
Profit/(loss) for the year	-	(6,036.04)	-	-	**(6,036.04)**
Other comprehensive income/(loss)	-	96.10	-	1,292.02	**1,388.12**
Total comprehensive income/(loss) for the year	**-**	**(5,939.94)**	**-**	**1,292.02**	**(4,647.92)**
At 31 March 2017	**65,404.84**	**(10,864.11)**	**6,150.00**	**1,292.02**	**61,982.75**

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

Summary of significant accounting policies 2

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E/E300005

per **ANIL GUPTA**
Partner
Membership No. 87921

Place: New Delhi
Date: May 25, 2018

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

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN: 00244357

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President & Company Secretary
FCS: 2845

Place: Gurgaon
Date: May 25, 2018

Notes to financial Statements as at and for the year ended 31 March 2018

1. Corporate Information

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at Jai Kisaan Bhawan, Zuarinagar, Goa 403726. The Company is in the business of manufacturing, trading and marketing of chemical fertilizers, water soluble fertilizers, seeds, pesticides and fertilizer products. The Company caters to the demand of the farmers across the country, through its "Jai kisaan" brand of Fertilizers.

The National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated 14th September 2017 has approved/ sanctioned the scheme of amalgamation of Zuari Fertilisers and Chemicals Limited (ZFCL), Zuari Speciality Fertilizers Limited (formerly known as Zuari Rotem Speciality Fertilizers Limited) (ZSFL) and Zuari Agri Sciences Limited (ZASL) with the Company under the provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956 and Sections 230 to 232 of the Companies Act, 2013, as may be applicable. The appointed date of the Amalgamation is April 01, 2015. The amalgamation came into effect from 13th November 2017 pursuant to filing of NCLT order with the Registrar of Companies on the said date. As a consequence of the amalgamation, there is no change in the shareholding pattern of the Company, given that the Company is not required to issue any shares pursuant to the Amalgamation of all the Transferor Companies i.e. ZFCL, ZSFL and ZASL. ZFCL and ZASL were the wholly-owned subsidiaries of the Company. The Company has on December 11, 2015 acquired balance 50% of equity shares of ZSFL held by Rotem Amfert Negev Limited for ₹ 1,332.33 lakhs. (Refer Note No 54 for details).

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors of the Company in their meeting held on 25th May 2018.

2.A. Summary of Significant Accounting Policies

i) Basis of Preparation

The separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 ("the Act").

The financial statements have been prepared on an accrual basis and under the historical cost basis, except for the following assets and liabilities which have been measured at fair value-.

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value,

The accounting policies have been consistently applied by the Company and are consistent with those used in previous year, except for the change in accounting policy explained in Note 2A ii) below.

The financial statements of the Company are presented in Indian Rupee (₹) and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

The Company had previously issued its audited financial statements for the previous year ended March 31, 2017 on May 19, 2017. Due to the aforementioned NCLT Order for amalgamation, which came after issuance of the financial statements for the previous year, the comparative numbers for the previous year ended March 31, 2017 have been prepared after incorporating the financial statements of these erstwhile subsidiaries in terms of the Scheme of Amalgamation (refer Note 54 below).

ii) Change in accounting policies

The Company, hitherto, recognized interest income from dealers on delayed payments, once the principal payment of a particular invoice was received from the dealer. However, during the financial year, the Company has changed its policy of accruing interest income on overdue dealer balances fully on accrual basis to the extent the Company is reasonably certain of their ultimate collection. This change of policy has resulted into profit before tax for the year being higher by ₹ 2,300.09 lakhs.

iii) Basis of classification of Current and Non-Current

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

An asset has been classified as current if

a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
b) it is held primarily for the purpose of being traded; or
c) it is expected to be realized within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets have been classified as non-current.

A liability has been classified as current when

a) it is expected to be settled in the Company's normal operating cycle; or
b) it is held primarily for the purpose of being traded; or
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities have been classified as non-current.

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

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

iv) Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is Company's functional and presentation currency.

(b) Initial recognition

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

(c) Conversion

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

(d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

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

v) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

vi) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Notes to financial Statements as at and for the year ended 31 March 2018

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

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

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

vii) Property, plant and equipment

On transition to Ind AS i.e. April 01, 2015, the Company has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at April 01, 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE (however, in relation to Leasehold land acquired on acquisition of one division (erstwhile joint venture company and became subsidiary company subsequently) have been stated at fair value instead of cost).

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, including import duties and non- refundable purchase taxes, borrowing costs if recognition criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price (however, in relation to Leasehold land acquired on acquisition of one division (erstwhile joint venture company and became subsidiary company subsequently) have been stated at fair value instead of cost).

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing PPE beyond its previously assessed standard of performance. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of the 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 derecognized.

viii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment (other than specific asset referred under Para (a) to (e) below is calculated using the straight-line basis using the rates arrived at, based on the useful lives estimated by the management. For this purpose, a major portion of the plant has been considered as continuous process plant. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of principal asset. The Company has used the following rates to provide depreciation on its property, plant and equipment which are equal to the rates specified in Schedule II to Companies Act, 2013.

Useful lives estimated by the management (years)

Factory buildings	30 years
Other buildings (RCC structures)	60 years
Other buildings (other than RCC structures)	30 years
Plant and equipment (Continuous process plant)	25 years
Plant and equipment (Others)	15 years
Furniture and fixtures	10 years
Roads and Culverts	3, 5 &10 years
Office equipment	3 to 5 years
Vehicles	8 years
Railway Siding	15 years

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

(a) The useful lives of components of certain plant and equipment are estimated as 5 to 20 years. These lives are lower than those indicated in Schedule II.

(b) The useful lives of certain plant and machinery having net block of ₹ 195.37 lakhs are estimated as 30 to 40 year. These lives are higher than those indicated in schedule II.

(c) The useful lives of certain buildings having net block of ₹ 290.42 lakhs are estimated as 15 year. These lives are lower than those indicated in schedule II.

(d) Insurance/ capital/ critical stores and spares are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/ capital/ critical spares, whichever is lower.

(e) Property, plant and equipment whose value is less than ₹ 5,000/- are depreciated fully in the year of purchase.

Leasehold land are amortized on a straight-line basis over the lease tenure i.e. 95 years. In respect of one of the leasehold land, lease cum sale agreement is for a period of 10 years. Lesser shall sell the property during the currency of the lease period or at the end of the lease period. Hence no depreciation has been provided thereon.

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

ix) Intangible Assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the

Notes to financial Statements as at and for the year ended 31 March 2018

asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The following are the acquired intangible assets:

Software

Management of the Company assessed the useful life of software as finite and cost of software is amortized over their estimated useful life of three years on straight line basis.

Research and development costs

Expenditure incurred on development of new products as covered under Ind AS 38 for which future economic benefits will flow over a period of time is amortized, over the estimated useful life of the asset or 5 years whichever is earlier.

Goodwill (as per scheme of amalgamation)

Goodwill, being immaterial, arising on account of amalgamation of Greentech Seeds International Private Limited 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).

Goodwill (pursuant to the scheme of amalgamation)

Goodwill arises pursuant to the scheme of amalgamation of Zuari Speciality Fertilizers Limited has been tested for impairment. No provision towards impairment is required.

x) Investment Property

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

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

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

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

xi) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available, and if no such transactions can be identified an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

xii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and rewards 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, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

xiii) Financial instruments

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

a) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Debt Instruments-

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Instruments-

Investments in subsidiaries are subsequently measured at cost.

For the purposes of subsequent measurement of other equity instruments classification is made into below two categories:

- Equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity investments other than investments in subsidiaries are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument -by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

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

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

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

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 Financial instruments and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Derecognition

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

c) Offsetting of financial instruments

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

xiv) Cash and Cash equivalents

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

xv) Dividend to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate

Notes to financial Statements as at and for the year ended 31 March 2018

laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xvi) 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-progress: 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

(d) 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.

Cost includes the necessary cost incurred in bringing inventory to its present location and condition necessary for use.

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

xvii)Borrowing Costs

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 are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowing. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

xviii) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements.

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. , recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

Service Income is recognized on accrual basis at agreed rate in accordance with the terms of the agreement.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/ Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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.

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

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

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

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

xix) Retirement and other employee benefits

i) Provident Fund

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

Retirement benefits in the form of Provident Fund in case of other units is a defined contribution scheme. 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 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) Superannuation and Contributory Pension Fund

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

iii) Gratuity

Retirement benefit in the form of gratuity is 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 insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees.

iv) Post-Retirement Medical Benefit

Post-retirement 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.

v) 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

Notes to financial Statements as at and for the year ended 31 March 2018

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. 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.

vi) Pension Fund

Retirement benefit in the form of family pension fund and National Pension Scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to the pension fund. The Company recognizes contribution payable to the pension fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (loss) are not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

vii) Voluntary Retirement Scheme

Compensation to employees under the voluntary retirement scheme of the Company is computed on the basis of number of employees exercising the retirement option under the scheme. The present value of the expected obligation is charged to the Statement of Profit and Loss in the year when such scheme is formally announced.

viii) Short term employee benefits

All employee benefits payable/ available within twelve months of rendering of service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

xx) Taxes

Current Income Tax and Deferred Tax

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" and grouped under Deferred Tax. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and Service Tax (GST) / Sales/value added taxes paid on acquisition of assets or on incurring expenses

When the GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of GST paid. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

xxi) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the 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 of the Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

xxii) Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be

Notes to financial Statements as at and for the year ended 31 March 2018

confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent liabilities are disclosed by way of notes in the financial statements.

A contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent assets are neither recognized nor disclosed in the financial statements.

xxiii) 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 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, it is recognised as income in equal amounts over the expected useful life of the related asset.

xxiv) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

In case of seeds division, the Company makes an estimation of probable sales return out of the sales booked during the financial year, considering the terms and condition of the sale and past tendency of such sales return. A provision is made for loss on account of such estimated sales return which is approximate to the amount of profit originally booked on such sale.

xxv) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker review the performance of the Company according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

Segment accounting policies

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

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Defined benefit plans

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

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

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit obligations are given in note 32.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where ever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 38 for further disclosures.

c) Useful life of Property, plant and equipment

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

2.C. New and amended standards and interpretations

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of each amendment is described below:

i) Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for current year in the Statement of Cash Flows.

ii) Amendments to Ind AS 102 Classification and Measurement of Share-based Payment Transactions

The amendments to Ind AS 102 Share-based Payment addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Company applied these amendments without restating prior periods. However, their application has no effect on the Company's financial position and performance as the Company had no such transaction.

2.D. Recent Accounting pronouncements

Standards issued but not applicable on the reporting period financial statements:

i) Ind AS 115 on Revenue from Contracts with Customers

In March 2018 the Ministry of Corporate Affairs has notified Ind AS 115, Revenue from Contracts with Customers. The standard is effective from reporting period commencing from 1st April 2018. In order to record revenue in books and consequential obligations, the standard requires the entities to identify contracts with its customers and to identify various performance obligations in the contract. The entity is required to recognize revenue once it satisfies related performance obligation as per the contract with its customer. The Company is evaluating the requirements of the standard and the effect will be duly given on the financial statements of applicable period.

ii) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any material impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

iii) Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change

Notes to financial Statements as at and for the year ended 31 March 2018

in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

iv) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

Notes to financial Statements as at and for the year ended 31 March 2018

3. **Property, plant and equipment**

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Land*	Buildings	Railway Siding	Plant & Equipment	Furniture & fixtures	Office equipment	Vehicles	Total	Capital work in progress	Grand Total
Deemed Cost											
As at 31.03.2016	**78.12**	**849.78**	**7,327.65**	**542.54**	**38,953.81**	**505.94**	**772.58**	**410.87**	**49,441.29**	**8,883.72**	**58,325.01**
Additions	-	-	971.64	-	2,729.49	61.30	61.20	71.26	3,894.89	4,036.15	7,931.04
Borrowing costs	-	-	53.58	-	107.31	-	-	-	160.89	-	160.89
Disposals	-	-	0.12	-	248.09	7.53	3.90	37.34	296.99	-	296.98
As at 31.03.2017	**78.12**	**849.78**	**8,352.75**	**542.54**	**41,542.52**	**559.71**	**829.88**	**444.79**	**53,200.09**	**12,919.87**	**66,119.96**
Additions	-	23.91	2.79	-	5,042.91	164.17	96.44	428.95	5,759.17	3,810.16	9,569.33
Borrowing costs	-	-	-	-	601.79	-	-	-	601.79	-	601.79
Disposals	-	-	-	-	307.92	0.09	3.55	7.89	319.45	5,376.98	5,696.43
As at 31.03.2018	**78.12**	**873.69**	**8,355.54**	**542.54**	**46,879.30**	**723.79**	**922.77**	**865.85**	**59,241.60**	**11,353.05**	**70,594.65**
Depreciation											
As at 31.03.2016	**-**	**12.01**	**214.73**	**32.12**	**2,734.21**	**72.16**	**170.83**	**75.93**	**3,311.99**	**-**	**3,311.99**
Charge for the year	-	4.23	297.26	42.16	3,116.37	74.39	175.97	78.27	3,788.65	-	3,788.65
Disposals	-	-	-	-	94.74	1.95	3.04	12.37	112.10	-	112.10
As at 31.03.2017	**-**	**16.24**	**511.99**	**74.28**	**5,755.84**	**144.60**	**343.76**	**141.83**	**6,988.54**	**-**	**6,988.54**
Charge for the year	-	4.35	254.48	42.12	3,432.24	79.82	187.93	111.73	4,112.67	-	4,112.67
Disposals	-	-	-	-	65.25	0.02	3.15	6.87	75.29	-	75.29
As at 31.03.2018	**-**	**20.59**	**766.47**	**116.40**	**9,122.83**	**224.40**	**528.54**	**246.69**	**11,025.92**	**-**	**11,025.92**
Net block											
As at 31.03.2018	**78.12**	**853.10**	**7,589.07**	**426.14**	**37,756.47**	**499.39**	**394.23**	**619.16**	**48,215.68**	**11,353.05**	**59,568.73**
As at 31.03.2017	**78.12**	**833.54**	**7,840.76**	**468.26**	**35,786.68**	**415.11**	**486.12**	**302.96**	**46,211.55**	**12,919.87**	**59,131.42**

* This includes land of ₹ 396.00 lakhs wherein lease cum sale agreement is for a period of 10 years. Lesser shall sell the property at the end of the lease period or extended period, if any. Additions during the year represents registration charges.

In respect of security against PPE, refer Note 12.

Borrowing Costs

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance brought down	864.47	121.32
Interest expenses	755.11	904.04
Sub-Total	**1,619.58**	**1,025.36**
Less: Allocated to Property, Plant and equipment	601.79	160.89
Balance carried down (included in Capital work in progress)	**1,017.79**	**864.47**

Capitalised borrowing costs

The rate used to determine the amount of borrowing costs eligible for capitalisation by the Fertiliser Division was 10.01%, which is the effective interest rate of the specific borrowing.

Notes to financial Statements as at and for the year ended 31 March 2018

4. Intangible Assets

(₹ in Lakhs)

Particulars	Software	Goodwill (as per scheme of amalgamation)*	BT Cotton (Internally generated)	Bajra (Externally generated)	Goodwill (pursuant to the Scheme of Amalgamation)**	Total	Intangible assets under development	Total
Deemed Cost								
As at 31.03.2016	**288.40**	**403.60**	**15.32**	**8.27**	**1,533.53**	**2,249.12**	**15.02**	**2,264.14**
Additions	92.23	-	-	-	-	92.23	19.34	111.57
Disposals	-	-	-	-	-	-	15.02	15.02
As at 31.03.2017	**380.63**	**403.60**	**15.32**	**8.27**	**1,533.53**	**2,341.35**	**19.34**	**2,360.69**
Additions	120.83	-	-	-	-	120.83	82.38	203.21
Disposals	-	-	-	-	-	-	101.72	101.72
As at 31.03.2018	**501.46**	**403.60**	**15.32**	**8.27**	**1,533.53**	**2,462.18**	**-**	**2,462.18**
Amortization								
As at 31.03.2016	94.11	-	15.32	8.27	-	117.70	-	117.70
Charge for the year	131.86	-	-	-	-	131.86	-	131.86
Disposals	-	-	-	-	-	-	-	-
As at 31.03.2017	**225.97**	**-**	**15.32**	**8.27**	**-**	**249.56**	**-**	**249.56**
Charge for the year	116.59	28.83	-	-	-	145.42	-	145.42
Disposals	-	-	-	-	-	-	-	-
As at 31.03.2018	**342.56**	**28.83**	**15.32**	**8.27**	**-**	**394.98**	**-**	**394.98**
Net block								
As at 31.03.2018	**158.90**	**374.77**	**-**	**-**	**1,533.53**	**2,067.20**	**-**	**2,067.20**
As at 31.03.2017	**154.66**	**403.60**	**-**	**-**	**1,533.53**	**2,091.79**	**19.34**	**2,111.13**

Note:

* Goodwill, being immaterial amount, which arose on account of amalgamation of Greentech Seeds International Pvt Limited with the erstwhile subsidiary Company, has been amortized during the current year (but not in previous year), pursuant to the scheme of amalgamation approved by the High Court of Bombay at Panaji (Goa) in an earlier year. As per the order of the High Court of Bombay at Panaji (Goa), 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.

** Goodwill, which arose pursuant to the scheme of amalgamation of Zuari Speciality Fertilisers Limited (ZSFL) with the Company.

5 Investment property

Particulars	(₹ in Lakhs)
Opening balance at 1 April 2016	**362.29**
Additions (subsequent expenditure)	**-**
Closing balance at 31 March 2017	**362.29**
Additions (subsequent expenditure)	-
Closing balance at 31 March 2018	**362.29**
Depreciation and impairment	
Opening balance at 1 April 2016	-
Depreciation (Note 25)	-
Closing balance at 31 March 2017	**-**
Depreciation for the year	-
Closing balance at 31 March 2018	**-**
Net Block	
at 1 April 2016	**362.29**
at 31 March 2017	**362.29**
at 31 March 2018	**362.29**

(₹ in Lakhs)

Information regarding income and expenditure of Investment property	At 31 March 2018	At 31 March 2017
Rental income derived from investment properties	Nil	Nil
Direct operating expenses (including repairs and maintenance) generating rental income	Nil	Nil
Direct operating expenses (including repairs and maintenance) that did not generate rental income	Nil	Nil
Profit arising from investment properties before depreciation and indirect expenses	Nil	Nil
Less – Depreciation	Nil	Nil
Profit arising from investment properties before indirect expenses	Nil	Nil

Investment property consist of freehold land owned by the Company.

As at 31 March 2018 & 31 March 2017 the fair values of the properties are ₹ 484.00 lakhs and ₹ 430.00 lakhs respectively. These valuations are based on valuations performed by Vr. Er. R. Aruljothi, an accredited independent valuer. Vr. Er. R. Aruljothi is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

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

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

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

Reconciliation of fair value:	(₹ in Lakhs)
Opening balance as at 01 April 2016	403.20
Fair value difference	26.80
Purchases	-
Opening balance as at 01 April 2017	430.00
Fair value difference	54.00
Purchases	-
Closing balance as at 31 March 2018	484.00

Notes to financial Statements as at and for the year ended 31 March 2018

6. Financial assets

6A Investments

(₹ in Lakhs)

Particulars	Non Current	
	31 March 2018	31 March 2017
Investments in Unquoted Equity Instruments carried at cost		
Investment in Joint Ventures		
17,98,16,228 (31st March 2017: 17,98,16,228) Equity shares of ₹ 10/- each fully paid-up of Zuari Maroc Phosphates Private Limited	17,981.62	17,981.62
2,16,90,000 (31st March 2017: 2,16,90,000) Equity shares of USD 1.00/each fully paid of MCA Phosphate Pte Limited (Refer Note 46)	11,943.47	11,943.47
Investment in Subsidiary		
- 50 (31st March 2017: NIL) Equity shares of AED 1000/- each fully paid-up of Adventz Trading DMCC (refer note (a) below)	8.72	-
Investments in Quoted Equity Instruments carried at cost		
Investment in Subsidiary		
6,28,43,211 (31st March 2017: 6,28,43,211) Equity shares of ₹10/- each fully paid-up of Mangalore Chemicals Fertilisers Limited (refer note (b) below)	53,521.45	53,521.45
Investments in equity instruments carried at fair value through Other comprehensive income (OCI)		
Quoted equity instruments		
3,22,67,741 (31st March 2017: 3,22,67,741) Equity shares of Re.1/- each fully paid-up of Nagarjuna Fertilisers and Chemicals Limited	4,985.37	6,259.95
Unquoted equity instruments		
72,000 (31st March 2017: 72,000) Equity shares of ₹ 10/- each fully paid up of Indian Potash Limited	1,272.24	1,370.80
Total	**89,712.87**	**91,077.29**
Aggregate Value of quoted Investments	58,506.82	59,781.40
Aggregate Value of unquoted Investments	31,206.05	31,295.89
Total	**89,712.87**	**91,077.29**
Market Value of quoted Investments	**43,413.99**	**42,646.17**

a) During the current financial year, the Company has invested in 50 number of Equity Shares of AED 1000 each of Adventz Trading DMCC.

b) 2,15,41,152 (31 March 2017: 4,27,79,640) number of shares of Mangalore Chemicals Fertilisers Limited are pledged as security for long term loan taken from bank (Refer Note 12).

6B Loans

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Security deposits				
Unsecured, considered good				
- with related parties (Refer Note 34)	29.33	-	-	-
- with others	386.51	428.96	108.42	62.43
Loans and advances to related parties (Refer Note 34) **Unsecured, considered good**				
Loans and advances	171.22	-	700.00	20.64
Interest accrued on loans, advances and deposits	-	-	11.95	-

Notes to financial Statements as at and for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Other Loans and Advances				
Secured, considered good				
Loans to employees	9.38	17.34	6.86	10.26
Interest accrued on loans to employees	6.59	20.28	-	1.78
Unsecured, considered good				
Loans to employees	47.94	64.97	14.00	22.84
Interest accrued on loans to employees	24.97	28.74	3.61	8.46
Inter corporate deposits (Refer Note 53)	-	-	939.43	2,000.00
Interest accrued on loans, advances and deposits (Refer Note 53)	-	-	-	243.22
Unsecured, considered doubtful				
Inter corporate deposits (Refer Note 53)	-	-	1,060.56	-
Interest accrued on inter corporate deposits (Refer Note 53)			332.98	-
Less: Provision for doubtful deposits and interest accrued	-	-	(1,393.54)	-
Total	**675.94**	**560.29**	**1,784.27**	**2,369.63**

In respect of security against loans, refer Note 12.

6C Other financial assets

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Other financial assets (Unsecured, Considered good)				
Foreign exchange forward covers	-	-	300.24	-
Non-Current Bank Balances (Refer Note 10.1)	3.35	3.35	-	-
Accrued Service Income				
- from related parties (Refer Note 34)	-	-	-	198.31
- from others	-	-	74.28	403.45
Claims receivable	1,682.57	-	3,025.83	5,357.80
Refund receivable GST	-	-	10,812.53	-
Receivables from Gas pool operator	-	-	9,520.91	11,164.47
Rebate/discount receivable from suppliers	-	-	405.58	1,655.02
Interest receivable from customers				
- from related parties (Refer Note 34)	-	-	289.08	218.86
- from others	-	-	5,584.61	2,097.19
Interest receivable on bank deposits	-	-	11.51	0.25
PSI grant receivable (Refer Note 44)	33.70	43.50	57.41	47.60
Total	**1,719.62**	**46.85**	**30,081.98**	**21,142.95**

In respect of security against other financial assets, refer Note 12.

Break up of financial assets carried at amortised cost

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Loans	675.94	560.29	1,784.27	2,369.63
Trade Receivables	-	-	223,375.34	221,072.10
Cash and cash equivalents	-	-	3,349.40	672.47
Other Bank Balances	-	-	1,305.51	18.52
Other financial assets	1,719.62	46.85	30,081.98	21,142.95
Total financial assets carried at amortised cost	**2,395.56**	**607.14**	**259,896.50**	**245,275.67**

Notes to financial Statements as at and for the year ended 31 March 2018

7. Other assets

(₹ in Lakhs)

Particulars	Non current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Unsecured, considered good, except where otherwise stated				
Capital advances-				
Related Parties (Refer Note 34)	3,209.13	3,909.13	-	-
Others	1,091.12	1,426.10	-	-
Advances (other than capital advances)				
Related Parties, considered good (Refer Note 34)	-	-	6.66	26.17
Others, considered good (Refer Note 45)	3,667.58	3,824.66	1,501.98	1,302.62
Others, considered doubtful	-	-	56.10	55.78
	3,667.58	**3,824.66**	**1,564.74**	**1,384.57**
Less: Provision for doubtful advances	-	-	(56.10)	(55.78)
	3,667.58	**3,824.66**	**1,508.64**	**1,328.79**
Advance to employees	-	-	3.07	26.70
Balances with statutory authorities	-	17.72	3,944.76	1,108.42
Prepaid expenses	-	-	1,195.77	567.08
Total other assets	**7,967.83**	**9,177.61**	**6,652.24**	**3,030.99**

In respect of security against other assets, refer Note 12.

8 Inventories

(₹ in lakhs)

Particulars	At 31 March 2018	At 31 March 2017
Raw materials [includes material in transit ₹ 5,635.48 Lakhs (31st March 2017: ₹ 10,863.13 Lakhs)]	15,675.66	18,227.57
Work-in-progress	4,056.43	3,045.93
Finished goods	19,066.81	9,626.13
Traded goods [includes material in transit ₹ 5,437.06 lakhs and material lying with others ₹ 632.77 lakhs (31st March 2017: includes material in transit ₹ Nil lakhs and material lying with others ₹ 1,274.95 lakhs)]	23,198.46	10,217.94
Fuel Oil	22.51	256.89
Stores and spares	3,655.66	3,495.32
Total	**65,675.53**	**44,869.78**

During the year ended 31 March 2018, ₹ 397.71 Lakhs (31 March 2017: ₹ 574.12 Lakhs) was recognised as an expense for inventories carried at net realisable value.

In respect of security against inventories, refer Note 12.

9. Trade receivables (at amortized cost)

(₹ in lakhs)

Particulars	At 31 March 2018	At 31 March 2017
Trade receivables - related parties (Refer Note 34)	1,573.40	834.70
Trade receivables - others	221,801.94	220,237.40
Total Trade Receivables	**223,375.34**	**221,072.10**
Break-up for security details:		
From Related Parties (Refer Note 34)		
Secured, considered good	0.50	0.50
Unsecured, considered good	1,572.90	834.20
From Others		
Secured, considered good	5,079.43	5,832.59

Particulars	At 31 March 2018	At 31 March 2017
Unsecured, considered good [including subsidy receivable ₹ 1,68,538.37 lakhs (31st March 2017: ₹ 1,50,157.88 lakhs)]	216,722.51	214,404.81
Unsecured, considered doubtful	910.84	504.39
Total	**224,286.18**	**221,576.49**
Less : Provision for Doubtful Debts	(910.84)	(504.39)
Total	**223,375.34**	**221,072.10**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables from dealers are non-interest bearing during the normal credit periods and are generally on terms of 15 to 120 days.

In respect of security against Trade Receivables, refer Note 12.

10. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	At 31 March 2018	At 31 March 2017
Cash and cash equivalents		
a. Balances with banks		
- On Current accounts	3,347.35	671.93
b. Cash on hand	1.76	0.39
c. Cheque on hand	0.29	0.15
Total	**3,349.40**	**672.47**

10.1. Other Bank balances

(₹ in lakhs)

Particulars	At 31 March 2018	At 31 March 2017
Current:		
Other Bank Balances :		
- On Unpaid dividend accounts (repatriation restricted)	20.11	18.07
Balances with banks-current account- escrow account	0.01	0.45
Deposits with remaining maturity for less than 12 months	378.51	-
Margin money deposits	906.88	-
Total	**1,305.51**	**18.52**
Non Current:		
Other Bank Balances :		
Deposits with remaining maturity for more than 12 months	3.35	3.35
Total	**3.35**	**3.35**
Amount disclosed under other non current financial assets	3.35	3.35

Notes to financial Statements as at and for the year ended 31 March 2018

11. Share Capital

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Authorised**		
12,25,00,000 (31st March 2017: 12,25,00,000) Equity Shares of ₹ 10/- Each	12,250.00	12,250.00
3,45,00,000 (31st March 2017: 3,45,00,000) Preference Shares of ₹10/- Each	3,450.00	3,450.00
	15,700.00	15,700.00
Issued*		
4,20,58,006 (31st March 2017: 4,20,58,006) Equity Shares of ₹10/- Each Fully paid	4,205.80	4,205.80
Subscribed and Paid-up*		
4,20,58,006 (31st March 2017: 4,20,58,006) Equity Shares of ₹10/- Each Fully paid	4,205.80	4,205.80
Total	**4,205.80**	**4,205.80**

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

Equity Shares	31 March 2018		31 March 2017	
	In Numbers	₹ in lakhs	In Numbers	₹ in lakhs
At the beginning of the year	42,058,006	4,205.80	42,058,006	4,205.80
Issued during the year	-	-	-	-
Outstanding at the end of the year	**42,058,006**	**4,205.80**	**42,058,006**	**4,205.80**

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- Share. Each share holder of equity shares is entitled to one vote per share. The Company declares and 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 2018, ₹ Nil (31st March 2017: Re 1 per share) dividend was proposed for distribution to equity share holders.

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	31 March 2018		31 March 2017	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Zuari Global Limited	8,411,601	20.00	8,411,601	20.00
SIL Investments Limited	872,000	2.07	3,143,000	7.47
Texmaco Infrastructure & Holdings Limited	3,000,125	7.13	3,000,125	7.13
Globalware Trading and Holdings Limited	7,491,750	17.81	7,491,750	17.81
Zuari Management Services Limited	5,078,909	12.08	5,078,909	12.08

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.

* Pursuant to the Scheme of Arrangement and Demerger (" the Scheme") between Zuari Agro Chemicals Limited and Zuari Global Limited, Zuari Agro Chemicals Limited had issued 29,440,604 equity shares of ₹ 10/- each aggregating to ₹ 2944.06 lakhs to the existing shareholders of Zuari Global Limited in the ratio of 1 fully paid up Equity share of ₹ 10/- each of Zuari Agro Chemicals Limited during the financial year ending 31st March, 2013. Out of the above shares issued pursuant to the Scheme, 8,051 (31st March 2017: 8,051) Equity Shares entitlements have been kept in abeyance pursuant to Section 206A of the Companies Act, 1956 in accordance with instructions from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992 and in respect of shareholders who could not exercise their rights in view of disputes, mistakes, discrepancy in holdings, etc.

** Refer Note No. 54 for increase in authorised share capital.

Notes to financial Statements as at and for the year ended 31 March 2018

12A. Non Current Borrowings (at amortised cost) (₹ in Lakhs)

Particulars	Non-Current	
	31 March 2018	31 March 2017
TERM LOAN		
From Banks		
Secured		
Indian rupee loans	24,934.48	31,832.19
Vehicle Loans	434.07	61.05
From financial Institutions		
Secured		
Indian Rupee Term loans	18,455.26	20,908.83
Total	**43,823.81**	**52,802.07**
Amount disclosed under the head "other financials liabilities" (Refer Note 14)	(11,481.43)	(13,458.56)
Total	**32,342.38**	**39,343.51**

1. (a) Rupee term loan from a Bank of ₹ 11,439.28 lakhs (including Current Maturities of ₹ 5,000.00 lakhs) (31st March, 2017: ₹ 14,881.12 lakhs including Current Maturities ₹ 3,500.00 lakhs) carries interest rate of 10.65 % p.a. The loan is repayable in 14 quarterly instalments starting from December, 2016 with the last instalment due on February' 2020. The loan is secured by first pari passu charge by way of mortgage of immovable assets of the Company (except for assets exclusively charged for other loans) located within its fertiliser plant in Goa, by deposit of title deeds and hypothecation of movable fixed assets at fertiliser plant in Goa (except for assets exclusively charged for other loans).

   (b) Rupee term loan from a Bank of ₹ 3,368.29 lakhs (including Current Maturities of ₹ 3,368.29 lakhs) (31st March, 2017: 7,842.57 lakhs including Current Maturities ₹ 4,500.00 lakhs) carries interest rate of 10.90 % p.a. The loan is repayable in 8 equal quarterly instalments starting from March, 2017 with the last instalment due on December' 2018. The loan is secured by exclusive charge by way of mortgage over land survey number 132 sub division 1 and land survey number 133 sub division number 1 of the Company situated in village sancoale in the state of Goa, by deposit of title deeds.

   (c) Rupee term loan from a Bank of ₹ 8,862.51 lakhs (sanctioned amount ₹10,000.00 lakhs) (including Current Maturities ₹ 2,499.00 lakhs) (31st March, 2017: ₹ 7,453.13 lakhs including Current Maturities: ₹ 820.00 lakhs) carries interest rate of 9.60 % p.a. The loan is repayable in 14 quarterly instalments starting from September, 2017 with the last instalment due on December' 2019. The loan is secured by first pari passu charge by way of mortgage of immovable assets of the Company (except for assets exclusively charged for other loans) located within its fertiliser plant in Goa, by deposit of title deeds and hypothecation of movable fixed assets of Goa fertiliser plant of the Company (except for assets exclusively charged for other loans).

   (d) Indian Rupee loan of ₹ 1,264.40 lakhs from Corporation Bank (including current maturities of ₹ 500.00 lakhs) (31st March, 2017: ₹ 1,655.37 lakhs including current maturities ₹ 500.00 lakhs), secured by equitable mortgage of land at Mahad & hypothecation of plant, machinery and other movable assets thereon. The loan carries interest rate of 11.40% p.a. and repayable in 24 quarterly instalments commencing from December, 2014.

   (e) Indian Rupee loans of Nil (including current maturities of Nil) (31st March 2017: ₹ 20,908.83 lakhs including current maturities of ₹ 4,125.00 lakhs) from HDFC Limited & IL&FS Financial Services Ltd were secured by equitable mortgage of specific unencumbered land parcel (at Zuari Nagar in Goa) owned by the Company, further secured by way of pledge of shares of a subsidiary company, Mangalore Chemicals and Fertilisers Ltd (MCFL). These loans were repayable in 16 quarterly instalments after a moratorium period of one year from the date of first disbursement and carried interest of 12.50% p.a.(effective interest rate 12.75%p.a.).

2. Vehicle loans from bank of ₹ 434.07 lakhs (including Current Maturities ₹ 114.14 lakhs) (31st March, 2017: ₹ 61.05 lakhs including Current Maturities: ₹ 13.56 lakhs) carry interest rate ranging from 8.26%-11.01% p.a. The loans are repayable in 48 equal monthly instalments starting from February, 2017 with the last instalment due on March, 2022. The loans are secured by way of hypothecation of respective motor vehicles of the Company.

3. Indian Rupee loan of ₹ 18,455.26 lakhs from HDFC Limited (including current maturities of ₹ Nil) (31st March, 2017: Nil including current maturities: Nil) carries interest rate of 10.35 % p.a. The loan is repayable in 12 equal quarterly instalments starting from February, 2020 with the last instalment due on November' 2022. The loan is secured equitable mortgage of specific unencumbered land parcel (at Zuari Nagar in Goa) owned by Company, further secured by way of pledge of shares of Mangalore Chemicals and Fertilisers Ltd (MCFL).

Notes to financial Statements as at and for the year ended 31 March 2018

12B. Current Borrowings (₹ in Lakhs)

Particulars	Current	
	31 March 2018	**31 March 2017**
Secured		
From Banks		
a. Cash credit (including working capital demand loans)*		
(The rate of interest on cash credit varies between banks ranging from 9.90% to 13.45% and are repayable on demand, The rate of interest on working capital demand loans varies between 8.85% - 9.50% and are repayable over a period of 60 to 90 days)	74,375.57	38,664.23
b. Buyers credit		
(The rate of Interest on buyers credit varies between 1.83% - 2.46% (31st March 2017: 0.77% - 1.89%) and are repayable over a period of 30 - 180 days)	74,084.14	100,619.67
c. Short term loans		
(i) (7.80% (including 6.84% paid directly by Government of India to the bank) secured against subsidy receivable of equal amount from GOI, Ministry of Chemicals and Fertlizer under Special Banking Arrangement)	31,016.68	31,036.00
d. Bills discounted	27,645.31	11,762.64
(Local bills discounted with banks repayable over a period of 180 days at the rate varies between 7.19% -8.26% against Letter of Credit issued by another bank having securities as disclosed below.)		
From Financial Institutions		
a. Working Capital demand loans (Refer Note (e) below)	-	1,499.75
Unsecured		
From Banks		
a. Short term loans		
Working capital demand loans	52,500.00	62,500.00
(The rate of Interest on loans varies between 8.25 % - 10.25% and are repayable over a period of 30 to 180 days)		
b. Buyers credit		
(The rate of Interest on buyers credit varies between 2% - 2.205% and has a tenure of up to 6 months)	532.75	-
c. Bills Discounted		
(Maturity of 3 months and rate of interest 10.60% p.a.)	-	713.54
From Others		
a. Inter corporate deposits	10,000.00	10,000.00
(The rate of Interest is 9.25% and is repayable at the end of 12 months from the date of disbursement.)		
Total	**270,154.45**	**256,795.83**

*(a) Cash credit (including working capital demand loans) of ₹ 66,851.66 lakhs (31st March, 2017: ₹ 30,914.25 lakhs) , Buyers credit of ₹ 74,084.14 lakhs (31st March, 2017: ₹ 1,00,619.67 lakhs) and Bill discounting of ₹ 27,645.31 lakhs (31st March, 2017: ₹ 11,762.64 lakhs) are secured by the first charge by way of hypothecation on the current assets (excluding assets against which specific loans have been availed), both present and future, wherever situated pertaining to the fertilizer division of the Company and the Company's fertilizer division's present and future book debts outstanding, moneys receivable, claims, bills, contracts, engagements, rights and assets excluding some subsidy receivable amount exclusively charged to certain banks.

(b) Cash credit of ₹ 4560.56 lakhs (31st March,2017: ₹ 4,828.73 lakhs) are secured by equitable mortgage of land, hypothecation of stock in trade, book debts, plant and machinery and vehicles, both present and future of one of the divisions of the Company.

(c) Cash credit of ₹ 1,271.21 lakhs (31st March, 2017: ₹1,225.58 lakhs) from Corporation Bank is secured by hypothecation of inventory cum book debts and all current assets of one of the divisions of the Company.

(d) Cash credit of ₹ 1,692.14 lakhs from Canara Bank (31st March, 2017: ₹ 1,695.67 lakhs) are secured by hypothecation of inventories and book debts of one of the divisions of the Company.

(e) In respect of the one of the divisions of the Company, a Working Capital demand loan of ₹ Nil (31st March, 2017: ₹ 1,499.75 lakhs) is secured pari-passu basis, all present and future current assets including book debts, claims and bills outstanding receivables, stock in trade and movable assets. Loan carries Rate of Interest @11% p.a.

Notes to financial Statements as at and for the year ended 31 March 2018

13. Trade payables

(₹ in lakhs)

Particulars	Non current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Trade payables (Including acceptance)				
- Outstanding dues to related parties (Refer Note 34)	-	-	11,610.72	462.78
- Outstanding dues to micro and small enterprises (Refer Note 30)	-	-	150.22	106.28
- Outstanding dues to others	-	-	83,360.59	59,776.75
TOTAL	**-**	**-**	**95,121.53**	**60,345.81**

14. Other Financial Liabilities

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Financial liabilities at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward covers	-	-	244.91	6,089.52
Total financial liabilities at fair value through profit or loss (a)	**-**	**-**	**244.91**	**6,089.52**
Other financial liabilities at amortised cost				
Current maturities of long term borrowings (Refer Note no. 12A)	-	-	11,481.43	13,458.56
Trade deposits - dealers and others-related party (Refer note 34)	-	-	0.50	0.50
Trade deposits - dealers and others-other than related party	-	-	8,964.07	8,602.86
Employee benefits payable	-	-	826.59	640.69
Payable towards capital goods- related parties (Refer note 34)	-	-	89.13	11.52
Payable towards capital goods- other than related parties *	-	-	110.74	286.41
Interest accrued but not due on borrowings	-	-	557.09	806.41
Other interest payable**	-	-	874.23	178.91
Unclaimed dividends	-	-	20.11	18.07
Payable towards voluntary retirement scheme	79.97	106.37	31.64	61.96
Total other financial liabilities at amortised cost (b)	**79.97**	**106.37**	**22,955.53**	**24,065.89**
Total other financial liabilities (a+b)	**79.97**	**106.37**	**23,200.44**	**30,155.41**

* Including ₹9.93 lakhs (31st March 2017: ₹ 27.85 lakhs) outstanding due to Micro and Small Enterprises (Refer Note 30).

** Including ₹ 133.38 lakhs (31st March 2017: ₹ 90.02 lakhs) outstanding due to Micro and Small Enterprises (Refer Note 30).
- Includes ₹ 44.62 lakhs (31st March 2017: Nil) payable to related party. (Refer Note 34).

Terms and conditions of the above financial liabilities:

Trade payables are normally non-interest bearing. For maturity profile of trade payables and other financial liabilities, Refer Note 38.

For explanations on the Company's credit risk management processes, Refer Note 38.

15. Other Liabilities

(₹ in lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Statutory Liabilities	-	-	648.79	4,501.80
Advances received from customers and others	-	-	16,018.46	10,430.15
Deferred income (Refer Note 44)	102.34	119.40	17.05	17.05
Total	**102.34**	**119.40**	**16,684.30**	**14,949.00**

Notes to financial Statements as at and for the year ended 31 March 2018

16. Provisions

(₹ in lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Provision for employee benefits				
Provision for post retirement medical benefit (Refer note 32)	48.95	45.31	5.84	5.23
Leave encashment (unfunded)	-	-	2,302.89	2,500.85
	48.95	**45.31**	**2,308.73**	**2,506.08**
Others provisions				
Provision for sales return*	-	-	95.95	105.79
	-	**-**	**95.95**	**105.79**
Total	**48.95**	**45.31**	**2,404.68**	**2,611.87**

* The Company expects sales return out of sales made during the current year and has created provision towards loss on such expected sales returns. The movement of such provision is as follows:

(₹ in lakhs)

Movement in provisions	31 March 2018	31 March 2017
Opening	105.79	-
Addition	95.95	105.79
Reversal/ Utilization	105.79	-
Closing	**95.95**	**105.79**

17. Income Tax

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

Profit or loss section

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Current income tax:		
Current income tax charge	1,799.09	-
Deferred tax:		
MAT Credit Entitlement	(1,799.09)	-
Adjustments in respect of deferred tax of earlier years	(1,500.10)	-
Relating to origination and reversal of temporary differences	2,379.32	(1,938.80)
Income tax expense/ (income) reported in the statement of profit or loss	**879.22**	**(1,938.80)**

OCI section

Deferred tax related to items recognised in OCI during the year:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Net loss/(gain) on remeasurements of defined benefit plans	(63.93)	(146.96)
Deferred tax charged/(credit) to OCI	22.34	50.86

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Total current income tax charge	(1,799.09)	-
Deferred tax Expense/ (Income)	901.56	(1,887.94)
Amount disclosed under deferred tax	**(897.53)**	**(1,887.94)**

Notes to financial Statements as at and for the year ended 31 March 2018

Reconciliation of tax expense/ (income) and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Accounting profit/(loss) before Income tax	5,074.39	(7,974.84)
	34.608%	34.608%
Tax at the applicable tax rate of 34.608%	1,756.14	(2,759.93)
Adjustment in respect of tax related to earlier years	(1,500.10)	-
Tax effect of income that are not taxable in determining taxable profit:		
Wealth Tax Reversal	(14.73)	-
Dividend Income	(109.49)	-
Deduction u/s 32AC of Income Tax Act, 1961	-	(116.39)
Others Adjustments	-	(1.32)
Tax effect of expenses those are not deductible in determining taxable profit:		
Interest on Micro and Small Enterprises	15.01	21.39
Charitable donations	-	0.35
Disallowance under Section 14A	761.26	907.68
Others Adjustments	34.18	9.42
Impact of change in tax rate, Deferred tax calculated March 31, 2018: 34.94% (March 31, 2017: 34.61%)	(63.05)	-
Tax expense	**879.22**	**(1,938.80)**

Deferred tax: **(₹ in lakhs)**

Particulars	As at 31 March 2016	Provided during the year	As at 31 March 2017	Provided during the year	As at 31 March 2018
Deferred tax liability:					
Property, Plant and Equipment impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	9,410.10	80.30	9,490.39	179.53	9,669.92
Others	16.85	5.90	22.76	6.18	28.94
Total deferred tax liability (A)	**9,426.95**	**86.20**	**9,513.15**	**185.71**	**9,698.86**
Deferred tax assets:					
Provision for doubtful debts and advances	167.75	26.98	194.73	630.94	825.67
MAT credit entitlement	1,008.00	-	1,008.00	1,799.09	2,807.09
Expenses allowable in Income tax on payment basis and deposition of Statutory dues	1,621.99	(50.92)	1,571.07	(120.98)	1,450.09
Brought forward losses and unabsorbed depreciation	12,961.46	1,997.44	14,958.90	(1,377.71)	13,581.19
Others	90.47	0.64	91.11	151.91	243.02
Total deferred tax assets (B)	**15,849.67**	**1,974.14**	**17,823.81**	**1,083.25**	**18,907.06**
Deferred Tax (Asset)/Liability (A - B)	**(6,422.72)**	**(1,887.94)**	**(8,310.66)**	**(897.54)**	**(9,208.20)**

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

The Company has till date recognised ₹ 2,807.09 lakhs (March 31, 2017 ₹ 1,008.00 lakhs) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Group to utilize the above MAT credit entitlement.

The Company has till date recognised ₹ 13,581.19 lakhs (March 31, 2017 ₹ 14,958.90 lakhs) as deferred tax assets on unabsorbed depreciation and carried forward tax loss, which the management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above deferred tax assets.

17A. Income Tax Assets (net) **(₹ In lakhs)**

Particulars	31 March 2018	31 March 2017
Income tax assets- related parties (Refer Note. 34 & 50)	2,533.85	2,533.85
Income tax assets- others	2,644.21	4,173.23
Total	**5,178.06**	**6,707.08**

Notes to financial Statements as at and for the year ended 31 March 2018

18. Revenue From Operations

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Sale of products* (including excise duty)		
Finished products	308,765.61	272,729.44
Traded products	155,957.34	136,214.89
Other operating revenues		
Scrap sales	272.73	236.06
Revenue from operations	**464,995.68**	**409,180.39**

(₹ in Lakhs)

Details of products sold	Year Ended 31 March 2018	Year Ended 31 March 2017
Finished Products sold:		
Urea	104,516.72	90,666.47
Complex fertilisers of the grades:		
18:46:0	67,551.95	44,483.02
10:26:26	93,118.12	87,186.46
12:32:16	13,982.08	19,444.18
19:19:19	17,342.38	20,045.43
Seeds	1,542.20	3,737.46
Speciality Fertilisers	3,487.45	2,633.69
SSP	7,224.71	4,532.73
	308,765.61	**272,729.44**
Traded Products sold:		
MOP	62,111.47	49,435.12
DAP	70,703.53	64,220.78
Complex Fertilisers	1,546.12	1,689.92
Speciality Fertilisers	5,844.86	8,559.39
Pesticides	14,928.99	11,743.19
Seeds	231.91	223.18
Urea	590.46	343.31
	155,957.34	**136,214.89**

a. Sales of Finished Product and Traded Products include government subsidies. Subsidies include ₹ 725.27 lakhs (31st March 2017: ₹ 395.24 lakhs) in respect of earlier years, notified during the year.

b. Subsidy for Urea has been accounted based on notified concession price under New Urea Policy 2015, and other adjustments as estimated in accordance with known policy parameters in this regard.

c. Government of India has notified the pooling of Gas in Fertiliser (Urea) sector effective from June 2015. As per the notification domestic Gas is pooled with Re-gasified Liquefied Natural Gas (RLNG) to provide natural Gas at uniform delivered price to all Natural Gas Grid connected Urea manufacturing plants.

d. The subsidy on Phosphatic and Pottasic fertilizers has been accounted for as per concession price notified by the Government of India under Nutrient Based Subsidy Policy, from time to time.

Notes to financial Statements as at and for the year ended 31 March 2018

19. Other income

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Other income		
Interest Income on		
Bank deposits	31.29	0.31
Intercorporate loans	101.58	360.00
Overdue debtors, employee loans etc.	5,947.82	4,423.90
Income tax refund	15.76	41.44
Dividend Income on Non-Current investments (Non-trade)	316.38	-
Rent received	17.05	16.39
Service Income - staff deployment and other supports	-	823.77
Excess provision/unclaimed liabilities/unclaimed balances written back	273.94	108.98
Incentive under PSI scheme	17.05	17.05
Profit on sale of current investments	-	3.80
Miscellaneous income	1,404.00	30.66
Total	**8,124.87**	**5,826.30**

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
In relation to Financial assets classified at amortised cost	6,080.69	4,784.21
In relation to Financial assets classified at FVOCI	-	-
Total	**6,080.69**	**4,784.21**

20. Cost of raw materials consumed

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Inventory at the beginning of the year	18,227.57	20,405.94
Add : Purchases	219,037.18	185,116.69
Add: Transfer of Stock for captive consumption	-	832.18
	237,264.75	**206,354.81**
Less: Transferred to trading stock	(1,242.43)	(512.27)
Less: Inventory at the end of the year	(15,675.66)	(18,227.57)
Cost of materials consumed	**220,346.66**	**187,614.97**

(a) Purchase of Stock in Trade

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Traded goods purchase details		
DAP	62,765.81	47,874.61
MOP	59,086.52	41,166.61
SSP	32.91	52.55
Speciality Fertilisers	5,409.02	5,021.82
Complex Fertilisers	3,094.46	1,606.94
Pesticides	9,273.29	10,575.43
Seeds	155.59	611.38
Others	28.91	153.85
Add: Transfer from materials purchased	1,242.43	512.27
Cost of traded goods purchased	**141,088.94**	**107,575.46**

Notes to financial Statements as at and for the year ended 31 March 2018

21. Changes in inventories of finished goods, Stock-in -Trade and work-in- progress

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Inventories at the end of the year		
Finished goods	19,066.81	9,626.13
Traded goods	23,198.46	10,217.94
Work-in-progress	4,056.43	3,045.93
	46,321.70	**22,890.00**
Inventories at the beginning of the year		
Finished goods	9,626.13	7,417.81
Traded goods	10,217.94	15,514.26
Work-in-progress	3,045.93	3,111.11
Less : Captive consumption	-	(832.18)
	22,890.00	**25,211.00**
	(23,431.70)	**2,321.00**

22. Excise Duty on goods

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Excise duty on goods	239.34	1,528.96
Total	**239.34**	**1,528.96**

23. Employee Benefits Expense

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Salaries, wages and bonus	7,133.14	7,169.78
Contribution to provident and other funds (Refer note 32)	568.79	559.78
Post-retirement medical benefit (Refer note 32)	4.24	10.62
Gratuity (Refer note 32)	120.98	117.06
Staff welfare expenses	1,475.61	1,320.98
Total	**9,302.76**	**9,178.22**

24. Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Interest expense	26,144.73	25,004.03
Interest on Income Tax	64.77	16.94
Exchange difference to the extent considered as an adjustment to borrowing cost	3,864.27	6,917.04
Bank charges	1,508.37	1,064.27
Total	**31,582.14**	**33,002.28**

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
In relation to Financial liabilities classified at amortised cost	26,144.73	25,004.03
Total	**26,144.73**	**25,004.03**

Notes to financial Statements as at and for the year ended 31 March 2018

25. Depreciation and amortization expenses

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Depreciation of property, plant and equipment	4,112.67	3,788.65
Amortisation of intangible assets	145.42	131.86
	4,258.09	**3,920.51**

26. Other expenses

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Stores and spares consumed	1,016.35	697.77
Power, fuel and water	26,191.81	20,645.46
Bagging and other contracting charges	2,815.34	2,647.66
Outward freight and handling	39,150.98	30,276.86
Rent	1,765.66	2,430.97
Lease rentals	260.77	444.07
Rates and taxes	110.19	124.54
Insurance	581.57	851.16
Repairs and maintenance		
Plant & machinery	3,305.56	3,674.38
Buildings	651.70	324.20
Others	430.17	440.29
Payment to statutory auditors (Refer details below)	166.00	200.22
Royalty on sales (net)	14.70	53.90
Provision for doubtful receivable/advances	406.79	77.95
Research and development expenses (Refer details below)	83.06	65.64
Subsidy claims written off	138.90	185.29
Foreign exchange variation (net)	964.46	2,291.61
Loss on disposal of property, plant and equipment (net)	241.49	77.72
Donation	-	1.00
CSR expenditure	40.22	71.64
Advances write-off	173.01	216.26
Miscellaneous expenses	4,757.66	5,608.49
Total	**83,266.39**	**71,407.08**

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Payments to statutory auditors as		
As statutory auditors *		
Audit fees	38.73	45.14
Tax audit fee	13.11	8.26
Limited review fees	8.25	9.49
In other capacity		
Right Issue certification	-	65.06
Certification fees, etc.	98.30	67.29
Reimbursement of expenses	7.61	4.98
Total	**166.00**	**200.22**

* Excluding ₹ 41.85 lakhs (31 March 2017: Nil) towards QIP related services, included under prepaid expenses in the financial statement.

Notes to financial Statements as at and for the year ended 31 March 2018

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
CSR Expenditure:		
Gross amount required to be spent by the Company during the year (under Section 135 of the Companies Act, 2013)	-	-
Amount spent during the year (other than on construction/ acquisition of any asset)	40.22	71.64
Amount spent during the year (on construction/ acquisition of any asset)	-	-
Amount yet to be spent/ paid	-	-
Total	**40.22**	**71.64**

The details of Research & Development Expenses are given below: (₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Repairs and Maintenance- Plant and Machinery	1.07	1.29
Farm Maintenance	39.27	34.46
Testing expenses	31.30	14.39
Consumables	4.09	3.59
Miscellaneous expenses	7.32	11.91
Total	**83.06**	**65.64**

Note: No capital Expenditure have been incurred on research and development during the year.

27. Distributions made and Proposed

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Cash dividends on Equity shares declared and paid:		
Final equity dividends: Re 1 per equity share (31st March, 2017: Nil per equity share)	420.58	-
Tax on equity dividend	85.62	-
	506.20	**-**
Proposed dividends on Equity shares:		
Proposed final equity dividends: Nil per equity share (31st March, 2017: Re. 1/- Per Equity Share)	-	420.58
Tax on proposed equity dividend	-	85.62
	-	**506.20**

Proposed dividend on equity shares declared on 19 May 2017 was approved at the annual general meeting and was not recognised as a liability in last year (including DDT thereon) as at 31 March 2017.

28. Earnings Per Share (EPS)

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

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

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Profit/(loss) after taxation as per statement of Profit and Loss (₹ in lakhs)	4,195.17	(6,036.04)
Weighted average number of shares used in computing earnings per share	42,058,006	42,058,006
Earnings per share – Basic and diluted (in ₹) (annualised)	9.97	(14.35)
Face value per share (in ₹)	10.00	10.00

Notes to financial Statements as at and for the year ended 31 March 2018

29. Exceptional Items:

(₹ In Lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Provision made towards rebates/price reduction claims (Refer Note (a) below)	-	6,433.05
Provision for doubtful advances (Refer Note (b) below)	1,393.54	-
	1,393.54	**6,433.05**

(a) Exceptional items for the year ended 31 March 2017 represent provision made towards rebates/ price reduction claims on stock lying with distribution channel pertains to earlier year's sale.

(b) Exceptional items for the year ended 31 March 2018 represent provision made against Inter Corporate Deposits including interest accrued thereon. (Refer note 53)

30. Dues to Micro, Small and Medium Enterprises

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

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
The principal amount and the interest due thereon remaining unpaid to any supplier:		
- Principal amount	160.15	134.13
- Interest thereon	43.36	61.80
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
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
The amount of interest accrued and remaining unpaid	133.38	90.02
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

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

1) Disclosure of interest in the following subsidiaries:

Name of Subsidiary Company	Country of Incorporation	Ownership Interest (%) As at 31 March 2018	Ownership Interest (%) As at 31 March 2017	Method of accounting of investment
Mangalore Chemicals and Fertilizers Limited	India	53.03%	53.03%	Deemed Cost
Adventz Trading DMCC (w.e.f. 07 Dec 2016)	United Arab Emirates	100.00%	-	Cost

2) Disclosure of interest in the following categories of Joint Arrangements:

Name of Joint Ventures	Country of Incorporation	Ownership Interest (%) As at 31 March 2018	Ownership Interest (%) As at 31 March 2017	Method of accounting of investment
Zuari Maroc Phosphates Private Limited (ZMPPL)	India	50.00%	50.00%	Deemed Cost
MCA Phosphates Pte Limited (MCAP)	Singapore	30.00%	30.00%	Deemed Cost
Paradeep Phosphates Limited (Subsidiary of ZMPPL)	India	40.23%	40.23%	Deemed Cost

3) Disclosure of interest in the following associate:

Name of Associate	Country of Incorporation	Ownership Interest (%) As at 31 March 2018	Ownership Interest (%) As at 31 March 2017	Method of accounting of investment
Fosfatos Del Pacifico S.A. (Associate of MCAP)	Peru	9.00%	9.00%	Deemed Cost

Notes to financial Statements as at and for the year ended 31 March 2018

32. Gratuity and other post-employment benefit plans **(₹ in Lakhs)**

Particulars	31 March 2018	31 March 2017
- Gratuity Plan- Asset*	57.05	23.99
- Provident Fund -Asset**	240.62	227.92
- Post Retirement Medical Benefit Plan - (Liability)	(54.79)	(50.56)
Total	**242.88**	**201.35**

* Plan assets of ₹ 57.05 lakhs (March 31, 2017: ₹ 23.99 lakhs) have been recognised in other assets in respect of the Company.

** Plan assets of ₹ 240.62 lakhs (March 31, 2017: ₹ 227.92 lakhs) have not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

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.

b) Provident Fund

As per Ind-AS 19, Employee Benefits, 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 year, actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuary Society of India.

c) Post Retirement Medical Benefit Plan

The Company has a defined benefit post retirement medical benefit plan, for its employees. The Company provides medical benefit to those employees who leave the services of the Company on retirement. As per the plan, retired employee and the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. In case of death of retired employee, the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. The plan is not funded by the Company.

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

Net employee benefits expense (recognized in Employee Cost) for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	Gratuity	
	2017-18	2016-17
Current Service Cost	124.05	120.42
Past Service Cost	-	-
Net Interest Cost	(3.07)	(3.36)
Total	**120.98**	**117.06**

(₹ in Lakhs)

Particulars	Post retirement Medical Benefit Plan	
	2017-18	2016-17
Current Service Cost	-	-
Past Service Cost	-	-
Net Interest Cost	4.23	10.62
Total	**4.23**	**10.62**

Amount recognised in Other Comprehensive Income for the year ended **(₹ in Lakhs)**

Particulars	Gratuity	
	2017-18	2016-17
Actuarial (gain)/ loss on obligations	(17.44)	4.38
Return on plan assets (excluding amounts included in net interest expense)	10.41	(60.27)
Experience Variance (i.e. actual experience vs assumptions)	(56.90)	1.88
Total	**(63.93)**	**(54.01)**

(₹ in Lakhs)

Particulars	Post retirement Medical Benefit Plan	
	2017-18	2016-17
Actuarial (gain)/ loss on obligations	-	(92.95)
Total	**-**	**(92.95)**

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2018 are as follows:

Gratuity: **(₹ in Lakhs)**

Particulars	2017-18	2016-17
Opening defined obligation	2,194.88	**2,258.60**
Current service cost	124.05	120.42
Interest cost	162.34	174.94
Re-measurement (or Actuarial) (gain) / loss arising from :		
- change in demographic assumptions	0.08	7.37
- change in financial assumptions	(17.52)	47.27
- experience variance (i.e. Actual experiences assumptions)	(56.90)	(45.90)
Benefits paid	(273.53)	(329.44)
Net transfer liability in/ (out)	(28.82)	(27.72)
Actuarial (gains) / losses on obligation	-	(4.37)
Acquisition adjustment	-	(6.29)
Past service cost	-	-
Defined benefit obligation	**2,104.59**	**2,194.88**

Provident Fund: **(₹ in Lakhs)**

Particulars	2017-18	2016-17
Opening defined obligation	11,521.58	11,832.62
Current service cost	224.20	227.87
Interest cost	971.09	1,009.25
Contributions by Employee / plan participants	622.67	614.30
Benefits Paid out of funds	(1,257.24)	(2,341.85)
Actuarial (gain)/ loss on obligations	13.92	12.57
Settlements / transfer in	21.59	166.82
Defined benefit obligation	**12,117.81**	**11,521.58**

Post retirement Medical Benefit Plan: **(₹ in Lakhs)**

Particulars	2017-18	2016-17
Opening defined obligation	50.56	132.89
Past service cost	-	-
Interest cost	4.23	10.62
Actuarial (gain)/ loss on obligations	-	(92.95)
Defined benefit obligation	**54.79**	**50.56**

Notes to financial Statements as at and for the year ended 31 March 2018

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

Gratuity: **(₹ in Lakhs)**

Particulars	2017-18	2016-17
Fair value of plan assets	2,218.88	2,300.32
Interest income	165.41	178.30
Return on plan assets (excluding amounts included in net interest expense) - OCI	(10.41)	60.27
Contribution by Employer	33.01	9.59
Benefits paid	(245.25)	(329.60)
Closing fair value of plan assets	**2,161.64**	**2,218.88**

The Company expects to contribute ₹ 66.62 lakhs (March 31, 2017: Nil) to gratuity fund in the financial year 2018-19.

Provident Fund: **(₹ in Lakhs)**

Particulars	2017-18	2016-17
Opening fair value of plan assets	11,749.50	12,049.03
Interest income	916.46	939.82
Return on plan assets (excluding amounts included in net interest expense) - OCI	63.20	71.85
Employer Contribution	224.20	227.87
Plan participants/ Employee contribution	622.67	614.30
Benefits paid	(1,257.24)	(2,341.85)
Settlements / Transfer in	39.62	188.48
Closing fair value of plan assets	**12,358.42**	**11,749.50**

The Company expects to Contribute ₹ 246.62 lakhs (March 31, 2017: ₹ 250.65 lakhs) to provident fund trust in the financial year 2018-19.

Gratuity **(₹ in Lakhs)**

Particulars	2017-18	2016-17
Investment with insurer (Life Insurance Corporation of India)	2,161.64	2,218.88

Provident Fund (Managed Through Trust) **(₹ in Lakhs)**

Particulars	2017-18	2016-17
Self managed investments	12,358.42	11,749.50

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.

Investment pattern in plan assets:

Particulars	Gratuity		Provident fund	
	2017-18	2016-17	2017-18	2016-17
Funds managed by insurance companies	100%	100%	100%	100%

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

Particulars	Gratuity		Provident Fund		Post retirement Medical Benefit Plan	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate (in %)	7.75%	7.50%	7.75%	7.50%	7.75%	7.50%
Salary Escalation (in %)	9% for first 2 years and 7.5% thereafter	9% for first 2 years and 7.5% thereafter	-	-	-	-
Mortality Rate (in %)	100%	100%	100%	100%	100%	100%
Withdrawal rate (per annum)	1%-3%	1%-3%	1%-3%	1%-3%	-	-

A quantitative sensitivity analysis for significant assumption for the Company as at 31 March 2018 is as shown below:

Gratuity Plan

Assumptions	31 March 2018		31 March 2018		31 March 2018		31 March 2018	
	Discount rate		Future salary increases		Attrition rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	1,985.87	2,239.42	2,233.82	1,987.83	2,104.79	2,104.26	2,104.67	2,104.51

Assumptions	31 March 2017		31 March 2017		31 March 2017		31 March 2017	
	Discount rate		Future salary increases		Attrition rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	1,981.33	2,243.75	2,234.88	1,980.61	2,083.09	2,085.09	2,083.67	2,083.64

A quantitative sensitivity analysis for significant assumption for the Company as at 31 March 2018 is as shown below:

Provident Fund

Assumptions	31 March 2018	
	Interest Rate Guarantee	
Sensitivity Level	1% increase	1% decrease
	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	12,668.06	12,083.29

Assumptions	31 March 2017	
	Interest Rate Guarantee	
Sensitivity Level	1% increase	1% decrease
	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	12,050.52	11,494.21

Post retirement Medical Benefit Plan

Assumptions	31 March 2018		31 March 2018	
	Discount rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	51.59	58.20	53.26	56.33

Assumptions	31 March 2017		31 March 2017	
	Discount rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	47.64	53.66	49.11	52.00

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

Notes to financial Statements as at and for the year ended 31 March 2018

Maturity Profile of Defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):

	Gratuity		Post retirement Medical Benefit Plan	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Within the next 12 months (next annual reporting period)	428.79	319.32	5.84	5.25
Between 2 and 5 years	1,030.13	1,191.77	21.19	19.10
Between 6 and 10 years	763.04	894.80	20.94	18.98
Beyond 10 years	1,709.51	1,590.11	26.83	25.58

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (31 March 2017: 6-16 years).

33. Commitments and Contingencies

a. Leases:

Operating Lease - as lessee

i) The Company has entered into the operating leases on certain godowns, office premises, Retail outlets and vehicles with lease term between 1 to 15 years and are renewable / cancellable at the option of either of parties. The Company also has the option, under some of its leases, to lease the assets for additional term of 3 to 5 years. There are no restrictions imposed by the lease arrangements. There are no subleases. The aggregate amount of operating lease payments recognized in the statement of profit and loss (including minimum lease payment) is ₹ 2,026.43 lakhs (March 31, 2017: ₹ 2,875.04 lakhs).

ii) Future minimum rental payable under non cancellable operating lease as at 31st March are as follows:

(₹ in lakhs)

	Particulars	31 March 2018	31 March 2017
i)	Lease payments for the year	77.84	49.58
ii)	Payable for a period not later than one year	78.59	88.06
iii)	Payable for a period later than one year and not later than 5 years	52.22	128.10
iv)	Payable for the period later than 5 years	-	-

b. Contingent Liabilities:

Claims against the company not acknowledged as debts

(₹ in lakhs)

	Particulars	31 March 2018	31 March 2017
I	**Demands / Claims from Government Authorities ***		
(A)	**Demands from Income Tax Authorities**		
i)	Demands in respect of Assessment Year 2012-2013 for which an appeal is pending with CIT (Appeals)	1,565.30	1,565.30
ii)	Demands in respect of Assessment Year 2013-2014 for which an appeal is pending with CIT (Appeals)	367.43	367.43
iii)	Demands in respect of Assessment Year 2014-2015 for which an appeal is pending with CIT (Appeals)	370.76	78.56
iv)	TDS demand for late filling of TDS for FY 2017-18	2.86	-
v)	Income-tax Advance to Zuari Global Limited against previous years demand pertains to Fertiliser Business in relation to Demerger happened in FY 2011-12.	2,388.67	-

Notes to financial Statements as at and for the year ended 31 March 2018

(₹ in lakhs)

	Particulars	31 March 2018	31 March 2017
(B)	**Demands from Sales Tax and Other Authorities**		
i)	Demand Notice from Commercial Tax Department, Maharashtra towards financial year 2010-11.	2.87	2.87
ii)	Exparte Order received from Commercial Tax Department Lucknow, UP for the month of May 2016 to July 2016, Sep 2016, Oct 2016 & Dec 2016.	14.34	-
iii)	Penalty order received for delay in payment of tax from Commercial Tax Department Lucknow, UP towards financial year 2016-17	9.23	-
iv)	Demand Notice from Commercial Tax Department, Andhra Pradesh towards financial year 2015-16.	1.90	-
v)	Demand Notice from Commercial Tax Department, Chhatisgarh towards financial year 2012-13.	0.08	-
vi)	Demand Notice from Commercial Tax Department , Jaipur towards non submission of "F Form" for the years 2010-11, 2011-12 & 2012-13 in respect of Company	96.77	96.77
vii)	Demand notice from Commercial Tax Department, Jaipur towards Excess Input Tax Credit availed for the years 2011-12 & 2012-13 in respect of Company	32.10	32.10
viii)	Demand notice from Commercial Tax Department, Madhya Pradesh towards non submission of "C Form" for the year 2013-14 of the Company.	2.48	2.48
ix)	Demand notice from Commercial Tax Department, Maharashtra towards non submission of "F Form" for the year 2012-13 of the Company.	-	1.81
x)	Demand notice from commercial tax department Kerala towards Conceded an interstate stock transfer (Out) of taxable items for the year 2009-10 of the Company	15.52	15.52
xi)	Demand Notice from commercial tax department Meerut, UP towards financial year 2013-14.	52.76	-
xii)	Demand notice from Customs department, Mumbai towards non eligibility of exemption under notification no. 04/06-CE dt 01/03/2006(as amended by notification no. 4/2011-CE dt. 01/03/2011) towards Counter-Vailing Duty (CVD) for the imports at Navasheva port for the period 24.3.2011 to 02.12.2011.Appeal filed with West Zonal Branch of the Customs, Excise and Service Tax Appellate Tribunal at Mumbai for waiver of pre-deposit and penalty.	26.10	26.10
xiii)	Demand notice from Customs Department, Chennai towards denial of import of MOP at concessional rate of duty for the period 01.04.2001 to 28.02.2006. The Company has filed appeal with South Regional branch of the Customs, Excise and Service Tax Appellate Tribunal at Bangalore for waiver of pre-deposit and stay of impugned order.	284.74	284.74
xiv)	Demand notice from Customs Department, Chennai towards denial of import of MOP at concessional rate of duty for the period 2002-03 and 2003-04. Appeal filed with South Regional branch of the Customs, Excise and Service Tax Appellate Tribunal at Bangalore for waiver of pre-deposit and stay of impugned order.	148.28	148.28
xv)	Customs Duty Differential on finalised Bill of Entries-Dharamatar Port-Order by Deputy Commissioner of Customs(P) Alibaug Division.	71.02	67.37
xvi)	Entry tax demand for assessment year 2012-13	0.08	-
xvii)	The Company had a long term agreement for supply of water with Public Works Deptt (PWD), Government of Goa (GOG) dated October 20, 2006 which is valid upto March 31, 2016. Since PWD was not able to supply the daily required quantity of 10000 M3, the Company had entered into another agreement on March 28, 2014 with Water Resource Deptt (WRD), Govt of Goa. Consequently, the Company had made representation for revision in the Contract with PWD, GOG for revision of minimum daily quantity from 8500 M3 to 1500 M3 effective May 1, 2014, however in absence of revision in agreement PWD, GOG has continued with raising invoices with daily minimum quantity of 8500 M3. The Company is given to understand that proposal for revision of the agreement with PWD, GOG is in active consideration, hence Company has been paying them monthly for minimum quantity of 1500 M3.	5,451.35	3,551.12

* Based on discussions with the solicitors/ favourable 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 financial Statements as at and for the year ended 31 March 2018

(₹ in lakhs)

	Particulars	31 March 2018	31 March 2017
II.	Aggregate amount of guarantees issued by the banks to various Government Authorities and Others**	7,902.33	12,527.48

** Bank guarantees of ₹ 7,902.33 lakhs (31 March 2017: ₹ 12,527.48 lakhs) 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.

III. The Company had received a demand of ₹ 5,293 lakhs from Gas Authority of India Limited (GAIL) toward Take or Pay obligation. Even prior to receiving this demand, the Company has represented to GAIL to reduce the annual contractual quantity based on which the Company is confident that the Take or Pay amount will be substantial lower. Further, in terms of Contract with GAIL, this Take or Pay amount can be utilised for future Make up Gas supplies. The Company is in discussion with GAIL to reduce / waive the Take or Pay charges, hence no provision has been made for the aforesaid demand amount.

c. Capital commitment: (₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Estimated amount of contracts remaining to be executed on capital account not provided for	4,197.15	4,229.85

34. Related party transactions

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods are:

(i) Subsidiaries of the Company

1) Mangalore Chemicals and Fertilisers Limited

2) Adventz Trading DMCC (subsidiary of Company)

(ii) Joint ventures of the Company

1) Zuari Maroc Phosphates Private Limited

2) Paradeep Phosphates Limited – Subsidiary of Zuari Maroc Phosphates Private Limited

3) MCA Phosphates Pte Limited

(iii) Associate of the Company

1) Fosfatos del Pacifico S.A.

(iv) Key Management Personnel of the Company

1) Mr. Saroj Kumar Poddar - Chairman

2) Mr. Kapil Mehan – Managing Director (w.e.f. 1st April 2015 upto 3rd June 2017)

3) Mr. N. Suresh Krishnan – (Non-Executive Director)

4) Mr. Akshay Poddar - Non-Executive Director

5) Mr. V.Seshadri - Vice President - Finance (till June 2016)

6) Mr. Sandeep Agrawal - Chief Financial Officer (w.e.f. 1st July 2016)

7) Mr. R.Y. Patil - Chief General Manager and Company Secretary (till May 2016)

8) Mr. R.Y. Patil - Vice President and Company Secretary (w.e.f June 2016)

9) Mr. Marco Wadia - Independent Director

10) Mr. Gopal Krishna Pillai - Independent Director

11) Mr. J.N. Godbole - Independent Director

12) Ms. Kiran Dhingra - Independent Director

13) Mr. Sunil Sethy - Additional Director w.e.f 28 July 2017 & Managing Director w.e.f 1st August 2017

Notes to financial Statements as at and for the year ended 31 March 2018

(v) Parties having significant influence

1) Zuari Global Limited
2) Indian Furniture Products Limited (IFPL)
3) Forte Furniture Products (India) Private Limited (joint ventur of IFPL w.e.f. 01st February 2017)
4) Simon India Limited
5) Zuari Management Services Limited
6) Zuari Infraworld India Limited
7) Zuari Investments Limited
8) Gobind Sugar Mills Limited (subsidiary of Zuari Investment Limited)
9) Zuari Indian Oil Tanking Private Limited (Joint Venture of Zuari Global Limited)
10) Adventz Industries India Limited

(vi) Details of Post Employment Benefit Plans managed through separate trusts (para 9 (b) (v) of Ind AS 24)

1) Zuari Industries Limited Employee Provident Fund
2) Zuari Industries Limited Senior Staff Superannuation Fund
3) Zuari Industries Limited Non Management Employees Pension Fund
4) Zuari Industries Limited Gratuity Fund

Notes to financial Statements as at and for the year ended 31 March 2018

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2018

(₹ in lakhs)

S. No	Transaction details	Year ended 31st March 2018					Year ended 31st March 2017				
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel
1	**Expenses incurred on their behalf**										
	- Zuari Management Services Limited	-	-	-	-	-	-	-	1.08	-	-
	- Paradeep Phosphates Limited	-	287.26	-	-	-	-	106.39	-	-	-
	- Gobind Sugar Mills Limited	-	-	379.64	-	-	-	-	287.69	-	-
	- Simon India Limited	-	-	-	-	-	-	-	1.04	-	-
	- Mangalore Chemicals and Fertilizers Limited	-	-	-	-	-	16.44	-	-	-	-
2	**Expenses incurred on our behalf**										
	- Paradeep Phosphates Limited	-	410.12	-	-	-	-	43.72	-	-	-
	- Gobind Sugar Mills Limited	-	-	0.58	-	-	-	-	1.19	-	-
	- Zuari Investment Limited	-	-	-	-	-	-	-	0.24	-	-
	- Mangalore Chemicals and Fertilizers Limited	2.46	-	-	-	-	53.14	-	-	-	-
3	**Director deposit given**										
	- Zuari Management Services Limited	-	-	-	-	-	-	-	1.00	-	-
	- Zuari Global Limited	-	-	-	-	-	-	-	1.00	-	-
4	**Director deposit received**										
	- Zuari Global Limited	-	-	1.00	-	-	-	-	-	-	-
	- Zuari Management Services Limited	-	-	-	-	-	-	-	1.00	-	-
5	**Service charges paid**										
	- Zuari Management Services Limited	-	-	101.88	-	-	-	-	-	-	-
	- Zuari Infraworld India Limited	-	-	-	-	-	-	-	14.32	-	-
	- Adventz Industries India Limited	-	-	-	-	-	-	-	447.61	-	-
6	**Loans/ Advances given**										
	- Zuari Infraworld India Limited	-	-	-	-	-	-	-	35.01	-	-
	- Adventz Trading DMCC	171.22	-	-	-	-	-		-	-	-
7	**Transfer of Employee benefits**										
	- Paradeep Phosphates Limited	-	57.48	-	-	-	-	10.87	-	-	-
	- Mangalore Chemicals and Fertilizers Limited	13.21	-	-	-	-					
	- Forte Furniture Products (India) Private Limited	-	-	4.42	-	-	-	-	-	-	-
8	**Advance given received back**										
	- Zuari Global Limited	-	-	-	-	-	-	-	11,920.00	-	-
9	**Purchase of finished goods**										
	- Paradeep Phosphates Limited	-	12,769.43	-	-	-	-	8,532.37	-	-	-
	- Mangalore Chemicals and Fertilizers Limited	4,054.02	-	-	-	-	4,158.63	-	-	-	-
10	**Purchase of raw materials**										
	- Mangalore Chemicals and Fertilizers Limited	-	-	-	-	-	72.46	-	-	-	-
11	**Rebate received on purchase of finished goods**										
	- Paradeep Phosphates Limited	-	270.95	-	-	-	-	-	-	-	-

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2018

(₹ in lakhs)

S. No	Transaction details	Year ended 31st March 2018					Year ended 31st March 2017				
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel
12	**Sale of Finished Goods**										
	- Mangalore Chemicals and Fertilizers Limited	3,685.08	-	-	-	-	13,903.50	-	-	-	-
	- Paradeep Phosphates Limited	-	-	-	-	-	-	5,108.27	-	-	-
13	**Purchase of Fixed Assets**										
	- Indian Furniture Products Limited	-	-	189.20	-	-	-	-	52.82	-	-
	- Forte Furniture Products (India) Private Limited	-	-	0.90	-	-	-	-	-	-	-
	- Zuari Management Services Limited	-	-	-	-	-	-	-	0.70	-	-
14	**Interest Paid**										
	- Gobind Sugar Mills Limited	-	-	0.04	-	-	-	-	0.04	-	-
	- Paradeep Phosphates Limited	-	254.20	-	-	-	-	55.37	-	-	-
	- Mangalore Chemicals and Fertilizers Limited	269.93	-	-	-	-	54.17	-	-	-	-
15	**Interest Accrued/Received on loan/ deposit/ trade receivable**										
	- Gobind Sugar Mills Limited	-	-	119.66	-	-	-	-	104.40	-	-
	- Mangalore Chemicals and Fertilizers Limited	-	-	-	-	-	677.78	-	-	-	-
	- Paradeep Phosphates Limited	-	-	-	-	-	-	20.08	-	-	-
	- Adventz Trading DMCC	11.95	-	-	-	-	-	-	-	-	-
16	**Service Income Received**										
	- Paradeep Phosphates Limited		93.30	-	-	-		19.96	-	-	-
17	**Rent Paid**										
	- Zuari Global Limited	-	-	42.17	-	-	-	-	84.27	-	-
	- Zuari Infraworld India Limited	-	-	41.99	-	-	-	-	-	-	-
	- Gobind Sugar Mills Limited	-	-	2.16	-	-	-	-	2.40	-	-
18	**Purchase of Investments**										
	- Zuari Global Limited	-	-	-	-	-	-	-	6,335.93	-	-
19	**Advance given for purchase of Land**										
	- Zuari Global Limited	-	-	-	-	-	-	-	3,209.13	-	-
20	**Income Tax given for Tax Liability**										
	- Zuari Global Limited	-	-	-	-	-	-	-	2,533.85	-	-
21	**Dividend Paid**										
	- Zuari Global Limited	-	-	84.12	-	-	-	-	-	-	-
	- Zuari Management Services Limited	-	-	50.79	-	-	-	-	-	-	-
22	**Dividend received**										
	- Mangalore Chemicals and Fertilizers Limited	314.22	-	-	-	-	-	-	-	-	-

Notes to financial Statements as at and for the year ended 31 March 2018

(₹ in lakhs)

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2018

S. No	Transaction details	Year ended 31st March 2018					Year ended 31st March 2017				
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel
23	**Managerial Remuneration***										
	- Mr. Kapil Mehan	-	-	-	-	123.72	-	-	-	-	198.98
	- Mr. Sunil Sethy	-	-	-	-	50.05	-	-	-	-	-
	- Mr. Sandeep Agrawal	-	-	-	-	101.59	-	-	-	-	63.57
	- Mr. V.Seshadri	-	-	-	-	-	-	-	-	-	18.47
	-Mr. R.Y. Patil	-	-	-	-	69.04	-	-	-	-	62.38
24	**Contribution to Gratuity Fund**	-	-	33.01	-	-	-	-	9.59	-	-
25	**Contribution to Superannuation Fund**	-	-	169.37	-	-	-	-	97.89	-	-
26	**Contribution to Provident Fund (including employees contribution)**	-	-	846.87	-	-	-	-	842.17	-	-
27	**Contribution to Contributory Pension Fund (including employees contribution)**	-	-	108.59	-	-	-	-	58.52	-	-
28	**Accrued Service Income**										
	- Zuari Indian Oiltanking Private Limited	-	-	4.12	-	-	-	-	22.73	-	-
29	**Sitting fees Paid**										
	- Mr. Saroj Kumar Poddar	-	-	-	-	3.10	-	-	-	-	2.95
	- Mr. Marco Wadia	-	-	-	-	6.35	-	-	-	-	5.90
	- Mr. Akshay poddar	-	-	-	-	2.95	-	-	-	-	2.45
	- Mr. Gopal Krishna Pillai	-	-	-	-	3.65	-	-	-	-	3.95
	- Mr. J.N. Godbole	-	-	-	-	5.85	-	-	-	-	4.70
	- Ms. Kiran Dhingra	-	-	-	-	2.50	-	-	-	-	2.50
	- Mr.N. Suresh Krishnan	-	-	-	-	6.05	-	-	-	-	5.30

*As the future liability for gratuity, leave encashment and post -retirement medical benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

Notes to financial Statements as at and for the year ended 31 March 2018

(₹ in Lakhs)

Sl. No	Transaction details	Balance Outstanding for the year ended 31st March 2018					Balance Outstanding for the year ended 31st March 2017				
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key management personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key management personnel
1	**Loan/ICD Given**										
	- Adventz Trading DMCC	171.22									
2	**As Trade Payables**										
	- Mangalore Chemicals and Fertilizers Limited	799.93									
	- Gobind Sugar Mills Limited	-	-	-	-	-	-	-	2.34	-	-
	- Paradeep Phosphates Limited	-	10,809.89	-	-	-	-	460.07	-	-	-
	- Forte Furniture Products (India) Private Limited			0.90							
	- Zuari Global Limited		-	-	-	-		-	0.16	-	-
	- Zuari Investments Limited	-	-	-	-	-	-	-	0.21	-	-
3	**Interest payable**										
	- Mangalore Chemicals and Fertilizers Limited	44.62	-	-	-	-	-	-	-	-	-
4	**As Trade Receivable/Other Receivable**										
	- Gobind Sugar Mills Limited	-	-	959.81	-	-	-	-	742.40	-	-
	- Mangalore Chemicals and Fertilizers Limited	613.59	-	-	-	-	53.25	-	-	-	-
	- Paradeep Phosphates Limited	-	-	-	-	-	-	39.05	-	-	-
5	**As Advances Recoverable**										
	- Adventz Trading DMCC	0.42	-	-	-	-	-	-	-	-	-
	- Indian Furniture Products Limited	-	-	700.00	-	-	-	-	7.14	-	-
	- Zuari Management Services Limited	-	-	-	-	-	-	-	0.83	-	-
	- Zuari Infraworld India Limited	-	-	1.34	-	-	-	-	25.37	-	-
	- Zuari Global Limited	-	-	4.90	-	-	-	-	13.47	-	-
6	**Accrued Service Income**										
	- Zuari Indian Oiltanking Private Limited	-	-	-	-	-	-	-	198.31	-	-
7	**Interest Accrued/Received on loan/deposit/ trade receivable**										
	- Gobind Sugar Mills Limited	-	-	289.08	-	-	-	-	198.78	-	-
	- Paradeep Phosphates Limited	-	-	-	-	-	-	20.08	-	-	-
	- Adventz Trading DMCC	11.95									
8	**Capital Advance**										
	- Zuari Global Limited (Advance for purchase of Land)	-	-	3,209.13	-	-	-	-	3,209.13	-	-
	- Indian Furniture Products Limited	-	-	-	-	-	-	-	700.00	-	-
9	**Deposits Given**										
	- Zuari Infraworld India Limited			29.33							
10	**Advance given for Income Tax Liability**										
	- Zuari Global Limited	-	-	2,533.85	-	-	-	-	2,533.85	-	-
11	**Capital Liability**										
	- Indian Furniture Products Limited	-	-	89.13	-	-	-	-	11.52	-	-
12	**Deposit Received**										
	- Gobind Sugar Mills Limited	-	-	0.50	-	-	-	-	0.50	-	-
13	**Gratuity Fund Balance**			2,161.64					2,218.88		
14	**Provident Fund Balance**	-	-	12,358.42	-	-	-	-	11,749.50	-	-

Notes to financial Statements as at and for the year ended 31 March 2018

35. SEGMENT INFORMATION

Information regarding Primary Segment Reporting as per Ind AS-108

The Company is engaged in the business of manufacturing, trading and marketing of seeds, pesticides, chemical fertilizers and fertilizer products which according to the management, is considered as the only business segment.

Accordingly, no separate segmental information has been provided herein.

Geographical Segments

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

Revenue from single customer i.e. Government of India amounted to ₹ 1,98,620.70 lacs (Previous year : ₹ 1,65,887.90 lacs) arising from sales in the fertilizers segment.

36 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ In lakhs)

Particulars	Carrying value		Fair value	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Financial assets				
Investments:				
Investment in quoted equity share at FVTOCI	4,985.37	6,259.95	4,985.37	6,259.95
Investment in unquoted equity share at FVTOCI	1,272.24	1,370.80	1,272.24	1,370.80
Others:				
Loans and advances to related parties	883.16	20.64	883.16	20.64
Employee loans and interest thereon	113.36	174.67	113.36	174.67
Security deposits	524.26	491.39	524.26	491.39
Foreign exchange forward covers	300.24	-	300.24	-
Claims receivable	4,708.40	5,357.80	4,708.40	5,357.80
PSI grant receivable	91.10	91.10	91.10	91.10
Other financial assets	27,641.29	17,984.12	27,641.29	17,984.12
Total financial assets	**40,519.42**	**31,750.47**	**40,519.42**	**31,750.47**
Financial Liabilities				
Borrowings				
Long term borrowings	43,823.81	52,802.07	43,823.81	52,802.07
Short term borrowings	270,154.45	256,795.83	270,154.45	256,795.83
Others:				
Foreign exchange forward covers	244.91	6,089.52	244.91	6,089.52
Payable towards voluntary retirement scheme	111.62	168.33	111.62	168.33
Other financial assets	11,442.45	10,545.36	11,442.45	10,545.36
Total financial assets	**3,25,777.24**	**3,26,401.11**	**3,25,777.24**	**3,26,401.11**

The management assessed that cash and cash equivalents, trade receivables and trade payables approximate their fair value largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The following methods and assumptions were used to estimate the fair values:

(i) Derivative financial instruments - The fair value of forward foreign exchange contracts is determined using the forward exchange rates at the balance sheet date. The fair value of foreign currency option contracts is determined using the Black Scholes valuation model.

The derivatives are entered into with the banks counterparties with investment grade credit ratings.

(ii) Security deposits / Employee loans - The fair value of security deposits / employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2018 are as shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
As on March 31, 2018				
Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 11.61% & LTGR 4%	Increase in WACC and decrease in LTGR by 0.50% would result in decrease in fair value by ₹ 24.48 lakhs and Decrease in WACC and increase in LTGR by 0.50% would result in increase in fair value by ₹ 28.08 lakhs respectively.
As on March 31, 2017				
Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 11.18% & LTGR 4%	Increase in WACC and decrease in LTGR by 0.50% would result in decrease in fair value by ₹ 239.76 lakhs and Decrease in WACC and increase in LTGR by 0.50% would result in increase in fair value by ₹ 316.80 lakhs respectively.

37 Fair value measurements

(i) Financial instruments by category (₹ in lakhs)

	31 March 2018			31 March 2017		
	FVTPL	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial assets						
Investments-						
Investment in quoted equity share at FVTOCI	-	4,985.37	-	-	6,259.95	-
Investment in unquoted equity share at FVTOCI	-	1,272.24	-	-	1,370.80	-
Loans and interest thereon	-	-	1,935.95	-	-	2,438.53
Security deposits	-	-	524.26	-	-	491.39
Trade receivables	-	-	223,375.34	-	-	221,072.10
Cash and cash equivalents	-	-	3,349.40	-	-	672.47
Bank balances other than above	-	-	1,305.51	-	-	18.52
Other receivables	-	-	31,801.60	-	-	21,189.80
Total Financial assets	**-**	**6,257.61**	**2,62,292.06**	**-**	**7,630.75**	**245,882.81**
Financial liabilities						
Borrowings	-	-	313,978.26	-	-	309,597.90
Trade payables	-	-	95,121.53	-	-	60,345.81
Foreign exchange forward covers	244.91	-	-	6,089.52	-	-
Payable for capital goods	-	-	199.87	-	-	297.92
Others	-	-	11,354.20	-	-	10,415.78
Total Financial liabilities	**244.91**	**-**	**420,653.86**	**6,089.52**	**-**	**380,657.41**

Notes to financial Statements as at and for the year ended 31 March 2018

(ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in quoted equity share at FVTOCI	31.03.2018	4,985.37	4,985.37		
Investment in unquoted equity share at FVTOCI	31.03.2018	1,272.24	-	-	1,272.24
Assets for which fair values are disclosed					
Loans and advances to related parties	31.03.2018	883.16	-	883.16	-
Employee loans and interest thereon	31.03.2018	113.36	-	113.36	-
Security deposits	31.03.2018	524.26	-	524.26	-
Foreign exchange forward covers	31.03.2018	300.24	-	300.24	-
Claims receivable	31.03.2018	4,708.40	-	4,708.40	-
PSI grant receivable	31.03.2018	91.10	-	91.10	-
Other Financial libabilites	31.03.2018	27,641.29	-	27,641.29	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value					
Foreign exchange forward covers	31.03.2018	244.91	-	244.91	-
Liabilities for which fair values are disclosed					
Long term borrowings	31.03.2018	43,823.81	-	43,823.81	-
Short term borrowings	31.03.2018	270,154.45	-	270,154.45	-
Payable towards voluntary retirement scheme	31.03.2018	111.62	-	111.62	-
Other Financial liabilities	31.03.2018	11,442.45	-	11,442.45	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures, fair value measurement hierarchy for assets as at 31 March 2017:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in quoted equity share at FVTOCI	31.03.2017	6,259.95	6,259.95	-	-
Investment in unquoted equity share at FVTOCI	31.03.2017	1,370.80	-	-	1,370.80

Assets for which fair values are disclosed

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Loans and advances to related parties	31.03.2017	20.64	-	20.64	-
Employee loans and interest thereon	31.03.2017	174.67	-	174.67	-
Security deposits	31.03.2017	491.39	-	491.39	-
Claims receivable	31.03.2017	5,357.80	-	5,357.80	-
PSI grant receivable	31.03.2017	91.10	-	91.10	-
Other Financial assets	31.03.2017	17,984.12	-	17,984.12	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value					
Foreign exchange forward covers	31.03.2017	6,089.52	-	6,089.52	-
Liabilities for which fair values are disclosed					
Long term borrowings	31.03.2017	52,802.07	-	52,802.07	-
Short term borrowings	31.03.2017	256,795.83	-	256,795.83	-
Payable towards voluntary retirement scheme	31.03.2017	168.33	-	168.33	-
Other financial liabilities	31.03.2017	10,545.36	-	10,545.36	-

There have been no transfers between level 1, level 2 and level 3 during the year.

38 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans,trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments and enters into derivative transactions. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board of Directors (Committee of directors for Banking and Finance) provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, investments and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

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

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

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Notes to financial Statements as at and for the year ended 31 March 2018

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ In lakhs)

Particulars	Increase/ decrease in basis points	Effect on profit before tax
For the year ended March 31, 2018		
INR Borrowings	+50	(1,146.81)
USD Borrowings	+50	(373.08)
INR Borrowings	-50	1,146.81
USD Borrowings	-50	373.08
For the year ended March 31, 2017		
INR Borrowings	+50	(994.89)
USD Borrowings	+50	(503.10)
INR Borrowings	-50	994.89
USD Borrowings	-50	503.10

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with ₹, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

For the year ended March 31, 2018 (₹ in lakhs)

Particulars	Change in foreign currency rate	Effect on profit before tax
USD	+5%	(2,374.89)
	-5%	2,374.89

For the year ended March 31, 2017 (₹ in lakhs)

Particulars	Change in foreign currency rate	Effect on profit before tax
USD	+5%	(593.69)
	-5%	593.69

c) Commodity price risk

(i) The Company's operating activities require the ongoing purchase of natural gas. Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Company is not affected by the price volatility of the natural gas as under the Urea pricing formula the cost of natural gas is pass through if the consumption of natural gas is with in the permissible norm for manufacturing of Urea.

(ii) The Company deals in purchase of imported fertilisers (i.e. DAP and MOP), which are imported by the Company and sold in the domestic market. The import prices of these goods are governed by international prices. There is a price and material availability risk, which may not be in line to meet the domestic market requirement. The risk is also with domestic manufacturers whose costing is based on majorly imported raw materials and small value-add. However, a dynamic alignment of procurement to sales and constant review of market conditions and competitors costing help in mitigating the impact.

(iii) The Company also deals in purchase of imported raw materials (i.e. P2O5, Ammonia, Potash and Urea), which are imported by the Company and used in the manufacturing of NPK. The import prices of these materials are governed by international prices. There is a price and material availability risk.

Equity price risk

Applicability

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

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 1,272.24 lakhs (31 March 2017: ₹ 1,370.80 lakhs. Sensitivity analyses of these investments have been provided in Note 36.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 4,985.37 lakhs (31 March 2017: ₹ 6,259.95 lakhs). A decrease of 5% on the BSE market price could have an impact of approximately ₹ 249.27 (31 March 2017: ₹ 313.01 lakhs) on the OCI or equity attributable to the Company. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

Credit risk

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

a) Trade receivables

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigate the credit risk to some extent.

Reconciliation of provision for doubtful debts:

Particulars	Trade receivables	Loans	Other advances	Total
Provision for doubtful debts as on 1st April 2016:	**482.22**	**-**	**2.50**	**484.72**
Add: Provision made during the year	22.17	-	55.78	77.95
Less: Provision utilized during the year	-	-	(2.50)	(2.50)
Provision for doubtful debts as on 1st April 2017:	**504.39**	**-**	**55.78**	**560.17**
Add: Provision made during the year *	477.80	1,393.54	0.32	1,871.68
Less: Provision utilized during the year	(71.35)	-	-	(71.35)
Provision for doubtful debts as on 31st March 2018:	**910.84**	**1,393.54**	**56.10**	**2,360.48**

* ₹ 1393.54 lakhs shown under exceptional items

b) Financial Instrument and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and over all exposure which the Company can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

Notes to financial Statements as at and for the year ended 31 March 2018

(₹ in lakhs)

Particulars	Less than 1 Year	1-3 Years	3-5 years	> 5 years	Total
Year ended 31 March 2018					
Borrowings	281,635.88	21,488.27	10,854.11	-	313,978.26
Other financial liabilities	11,554.07	-	-	-	11,554.07
Trade and other payables	95,121.53	-	-	-	95,121.53
Foreign exchange forward covers	244.91	-	-	-	244.91
	388,556.39	**21,488.27**	**10,854.11**	**-**	**420,898.77**
Year ended 31 March 2017					
Borrowings	270,254.36	37,391.10	1,952.44	-	309,597.90
Other financial liabilities	10,607.32	80.06	26.31	-	10,713.70
Trade and other payables	60,345.81	-	-	-	60,345.81
Foreign exchange forward covers	6,089.52	-	-	-	6,089.52
	347,297.01	**37,471.16**	**1,978.75**	**-**	**386,746.93**

39. Capital management

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

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

(₹ in lakhs)

Particulars	At 31 March 2018	At 31 March 2017
Total Borrowings (Refer Note 12 A & Note 12B)	313,978.26	309,597.90
Trade payables (Refer Note 13)	95,121.53	60,345.81
Other payables (Refer Note 14)	11,798.98	16,803.22
Less: Cash and cash equivalents (Refer Note 10)	(3,349.40)	(672.47)
Net debts	**417,549.37**	**386,074.46**
Total Equity	68,545.97	66,188.55
Capital and net debt	**486,095.34**	**452,263.01**
Gearing ratio %)	**85.90%**	**85.37%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

40. Disclosure required under Section 186 (4) of the Companies Act 2013.

(a) Particulars of Investments made and loans given: (₹ in lakhs)

S. No.	Name of the Borrower	Opening Balance as on 01 April 2017	Loan Given	Loan Repaid	Closing Balance as on 31 March 2018	Purpose
1	Adventz Trading DMCC	-	171.22	-	171.22	General Business Purpose

(b) Particulars of Investments made during the year:

(₹ in lakhs)

S. No.	Name of the Investee	Opening Balance as on 01 April 2017	Investments made during the year	Adjustments *	Closing Balance as on 31 March 2018	Purpose
1	Adventz Trading DMCC	-	8.72	-	8.72	Strategic investment
2	Nagarjuna Fertilisers and Chemicals Limited	6,259.95	-	(1,274.58)	4,985.37	Strategic investment
3	Indian Potash Limited	1,370.80	-	(98.56)	1,272.24	Strategic investment

* Being adjustments for fair valuation

41 Based on the circulars received for revision in uniform freight relating to secondary freight and direct road movement, the Company has, during the year, accrued additional freight subsidy income of ₹ 297.48 lakhs (upto Previous year ₹ 2746.24 lakhs) relating to Urea. Also, the Company has receivable of ₹ 2,910.62 lakhs (Previous Year ₹ 2,910.62 lakhs) for Phosphoric and Potassic Fertilisers, for which the claims are yet to be submitted. As the performa/ format for raising the bills is recently notified and the Company is in the process of raising the bills, the amount of ₹ 5,954.34 lakhs (Previous Year ₹ 5,656.86 lakhs) is still pending for collection. The Company is hopeful to realize the above entire amount of ₹ 5,954.34 lakhs (Previous Year ₹ 5,656.86 lakhs).

42 The Company is carrying receivable of ₹ 2203.93 lakhs (March 31,2017: ₹ 2577.95 lakhs) on account of claim raised on a product supplier for loss suffered on purchase of material which did not meet the specified standards. According to the management, the Company has entered into fresh contracts with the supplier for purchase of material at discounted price and the supplier has assured to provide rebate for adverse market condititons during the earlier period. Accordingly the Company has reviewed the cash flows from the supplier towards recovery of the amount and has discounted the long term portion of the inflows. Consequently, the Company has booked an impairment loss of ₹ 317.19 lakhs on the receivable in the Statement of Profit and Loss during the current financial year. The Company is hopeful to recover the said amount although the supplier has not confirmed the receivable amount.

43 The Company is carrying a receivable of ₹ 1,949.03 lakhs for the period February 2013 & March 2013 on account of accrual of subsidy income at higher rate in comparison to rate at which subsidy is granted. However, as per the office Memorandum dated April 16, 2018 issued by the Department of Fertilizer, the Government has ex-post facto approved the subsidy paid on specific quantity of P&K fertilizer received in the district during February 2013 and March 2013 months in different year since 2012-13, as the rates fixed for the next financial year which were lower than the rate approved by cabinet /CCEA for that year. The Company has represented to the Department of Fertilizer that the material moved in February 2013 and March 2013 was part of the approved movement plan of January 2013 and hence NBS rates of 2013 should be applicable. The Company has obtained a legal opinion and if required will take appropriate recourse to recover this amount. The Company is hopeful to realize the aforesaid amount hence no provision for ₹ 1,949.03 lakhs has been made in the accounts.

44 The Company 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 July '19, 2012. As per the Eligibility Certificate, the Company is entitled to:

a) Electricity Duty exemption for a period of 15 years from the date of commercial production.
b) 25% refund of annual VAT and CST liability (after set-off) on sale of manufactured goods.

In terms of the Indian Accounting Standard (Ind AS 20) "Accounting for Government Grants", the eligible incentive is considered as a capital grant and has been set-up as deferred income, 'being recognised in the statement of profit and loss over the life of the eligible fixed assets. Incentive receivable in respect of VAT and CST liability aggregating ₹ 119.40 lakhs (Previous Year ₹ 136.45 lakhs) has been set up as deferred income and is being recognised in the statement of profit and loss on systematic basis over the life of the eligible fixed assets. During the year, ₹ 17.05 lakhs (March 31, 2017: ₹ 17.05 lakhs) has been credited to the statement of profit and loss. Incentive in respect of electricity duty exemption is accounted for during the year as a reduction from the electricity charges (i.e. the electricity charges recognised in note 26 are considered net of electricity duty as per payments made to the electricity board).

45 The Company is planning to set up a Phosphoric fertilizer plant in Ras-Al-Khaimah (RAK) in United Arab Emirates in collaboration with Ras-Al-Khaimah Maritime City Free Zone Authority. Expenditure on feasibility study and related expenditure amounting to ₹ 3,212.39 lakhs (31st March 2017: ₹ 3,155.15 lakhs) have been carried forward, pending decision on issue of shares to the Company in the proposed Joint Venture project. The JV Company has been incorporated and definitive agreement between the shareholders have been completed. The Company is in discussion with various EPC contractors with regard to the implementation of the project.

Notes to financial Statements as at and for the year ended 31 March 2018

46 In respect of Company's investment of ₹ 11,943.48 lakhs (31st March 2017: ₹ 11,943.48 lakhs) in the rock phosphate mining project (which is under development) through MCA Phosphare Pte Ltd, a joint venture Company, the Company has not considered any impairment loss based on the fair valuation of the said investment done by an independent valuer, which indicates a value higher than the carrying amount, however review by statutory auditors is still in process. The joint venture company had provided for diminution in the entire value of said investment, which the Company is not in agreement with since the same is not in accordance with the shareholders agreement with the joint venture company, and also the project company where the MCA phosphate Pte Ltd has made an investment, has not made any provision for any impairment.

47 During the financial year 2013-14, the Company had sold part of freehold land at a consideration of ₹ 16,359.32 lakhs. The possession of the said parcel of land was handed over on 28 March 2014; however the transfer of title is under progress. The Company had received full consideration from the buyer in the financial year 2013-14.

48 In terms of Demerger of fertilizer undertaking from Zuari Global Limited in an earlier year, the title deeds of Immovable properties are in the process of being transferred in the name of the Company.

49 The Company is in the process of identifying name of the customers from whom it has received money and such collections of ₹ 128.98 lakhs (March 31,2017: ₹ 332.62 lakhs) are lying under unadjusted credits, although adjusted from the overall balance of the customers. Further, the balance of individual customers and vendors are subject to confirmation/ reconciliation. The adjustments, if any, which in the opinion of the management, would not be material, would be made once these accounts are confirmed/ reconciled.

50 Zuari Global Limited (ZGL) had demerged its fertilizer undertaking to the Company with effect from 1st July'2011. ZGL has during the year, based on Hon'ble High Court order on demerger of fertilizer undertaking, identified amount of income tax paid under protest pertaining to fertilizer undertaking demerged into the Company.

The Company has exchanged letter of mutual understanding with ZGL wherein the Company has paid such amount of income tax paid under protest. During the previous year, the Company had paid ₹ 2,533.85 lakhs to ZGL on this account pending completion of final assessment/litigation in respect of such financial years, out of which during the current year, ZGL has received a favourable order of ₹ 145.18 lakhs in respect of fertilizer undertaking for the assessment year 2008-09.

Also, the Company had, during the previous year, paid ₹ 3,209.13 lakhs as advance to ZGL on account of purchase of land and buildings in Solapur district.

51 During the year, the Company has paid remuneration to Managing Director as per the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013, However, the approval of Central Government for excess remuneration paid to Managing Director of the Company amounting to ₹ 149.82 lakhs for the year ended March 31, 2016 is awaited.

52 (a) United Breweries Limited, KingFisher Finvest India Limited, McDowell Holdings Limited instituted arbitration proceedings against the Company and its erstwhile subsidiary, Zuari Fertilizer and Chemicals Limited (now merged with the Company) alleging breach of the Share Holders Agreement (SHA) dated 12th May 2014 executed between the parties. The arbitration was instituted before the, former Chief Justice of India. The Award was passed on 8th May 2017 wherein the Arbitrator has held that the SHA cannot be specifically enforced. The claims raised by the Claimants stand dismissed and the arbitrator has ordered to pay to the Parent Company a sum of ₹ 75 lakhs. The Award has been challenged by the Claimants before the High Court of Bombay at Mumbai and the matter is pending for final arguments.

(b) Mangalore Chemicals and Fertilizers Limited (MCFL), a subsidiary company had engaged M/s Ernst & Young LLP (EY) to carry out a forensic investigation into transactions in relation to the investment in the preference shares of Bangalore Beverages Limited (BBL) and advances made to United Beverages Holding Limited (UBHL) aggregating to ₹ 21,668 lakhs which had duly been provided for in the books of MCFL. Based on their report, Zuari Fertilisers and Chemicals Limited (ZFCL), the then holding company of MCFL had approached the National Company Law Tribunal in Bangalore to obtain accountability of the UB Group for the irregularities. Since UBHL has been declared to be wound up by the High Court of Karnataka vide order dated 7th February 2017, the ZFCL made an application before the High Court of Karnataka. ZFCL's application for permission to proceed against UBHL in the NCLT proceedings has been allowed by the High Court on 20th April 2017. The matter has been taken up for hearing on several occasions, the official liquidator has been made party to the proceedings pursuant to the order of the high court, the official liquidator has been served but has failed to appear in the matter. The NCLT has passed an order directing the official liquidator to be present and file a reply on the next date of hearing. The matter is now fixed on 22.06.2018.

53 While confirming the balance due from Mcdowells Holdings Limited (MHL), aggregating to ₹ 2,332.97 lakhs, they have sought to adjust a sum of ₹ 939.43 lakhs said to be due to them from one of the subsidiaries i.e. Mangalore Chemicals & Fertilisers Ltd (MCFL). The Company has replied that MHL has no right to unilaterally assign any liability of MFCL on the basis that MCFL is a subsidiary of the Company and have refuted the stand taken by MHL. The Company has instituted proceedings against MHL under the various provisions of the Companies Act, 2013 before the National Company Law Tribunal questioning among others MCFL's purported liability. During current financial year the Company has made a provision for the net recoverable amount from MHL of ₹ 1393.54 lakhs and has charged off the same to the statement of profit and loss as exceptional items.

54 Amalgamation

I. Pursuant to the Scheme of Amalgamation ["the Scheme"] under Section 391 to 394 of the Companies Act 1956 among the Company and its erstwhile wholly owned subsidiary companies, namely Zuari Fertilizers and Chemicals Limited ("ZFCL"), Zuari Speciality Fertilisers Limited ("ZSFL") and Zuari Agri Sciences Limited ("ZASL"), [Transferor Companies] approved by Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated 14th September 2017, the Transferor Companies stand merged with the Company w.e.f. April 1, 2015 (the appointed date). A certified true copy of the Order has been received by the Transferor Companies and the Company on November 07, 2017 and the Company has filed the order with the Registrar of Companies (ROC), Goa.

In terms of the NCLT order, the Scheme of Amalgamation is effective from November 13, 2017, the date on which the order was filed with the ROC, Goa.

With effect from the appointed date, all the business undertakings , assets , liabilities , rights and obligations of the Transferor Companies stood transferred to and vested in the Company.

II. Since ZFCL and ZASL were the entities under the common control, the amalgamation has been accounted for in terms of 'Appendix C' of Indian Accounting Standard 103 (Ind AS 103) by applying "pooling of interest" method of accounting on the appointed date, where in all the assets and the liabilities of the Transferor companies have been accounted for at their book values as appearing in the books as on appointed date i.e April 1, 2015. Further, accounting for amalgamation for ZSFL has been done as per "acquisition method" as prescribed in Indian Accounting Standard 103 (Ind AS 103) where in all the assets and liablities of ZSFL have been accounted for at their book values as appearing in the books as on appointed date i.e April 1, 2015 as per the scheme of Amalgamation. The difference in the value of assets and value of the liabilities pertaining to transferred undertaking of ZSFL has been treated as Goodwill.

III. Pursuant to the Scheme of Amalgamation approved by the NCLT, all assets and liabilities of the transferor company are transferred to the transferee company and all inter-company transactions are eliminated. However, no elimination of inter company transactions has been made for transactions entered upto March 31, 2015.

Therefore in accordance with the NCLT order, the Company has accounted for as under :

(₹ in Lakhs)

Particulars	ZASL	ZFCL	ZSFL
Assets			
Property, Plant and Equipment	186.12	391.68	1,475.05
Capital work-in progress	-	6,793.73	-
Investment Property	-	362.29	-
Intangible assets	427.19	-	0.09
Non-Current Financial Assets			
Investments	-	16,938.34	-
Loans	21.16	4.75	4.15
Others	12.47	-	76.21
Other non-current assets	-	4,592.39	-
Tax Assets (Net)	1.84	44.83	18.81
Inventories	2,586.10	1,831.83	720.04
Current Financial Assets			
Loans	-	2,027.80	-
Trade receivables	1,588.15	266.77	1,253.74
Cash and cash equivalents	450.06	130.25	31.03
Other Bank balances	-	405.00	-
Others	0.47	-	51.52
Other current assets	96.28	101.11	20.70
Total	**5,369.84**	**33,890.77**	**3,651.34**
Liabilities			
Non-Current Financial Liabilities			
Borrowings	258.77	21,697.73	-
Other non-current liabilties	-	-	143.51
Long term provisions	-	26.29	2.94

Notes to financial Statements as at and for the year ended 31 March 2018

Particulars	ZASL	ZFCL	ZSFL
Deferred tax liabilities (net)	-	-	12.78
Current liabilities			
Borrowings	1,481.24	1,712.00	1,619.87
Trade payables	1,121.02	2,377.99	834.90
Other financial liabilities	1,186.25	2,725.00	13.08
Other current liabilties	1,310.67	564.95	59.39
Short term provisions	83.83	61.17	3.40
Total	**5,441.78**	**29,165.13**	**2,689.87**
Net Assets / (Liabilties) taken over	**(71.94)**	**4,725.64**	**961.47**

IV. (a) Two of the transferor companies (i.e ZASL & ZFCL) were wholly owned subsidiaries of the Company and their entire share capital were held by the Company and its nominees. Upon the Scheme becoming effective, the shares held by the Company and its nominees in the Transferor Companies stands cancelled and extinguished without any further application, act, instrument or deed and no shares shall be issued to the shareholders of the Transferor Companies.

(b) One of the transferor company i.e ZSFL, became wholly owned subsidiary of the Company upon acquiring balance equity shares on December 11, 2015 held by joint venture partner i.e Rotem Amfert Negev Limited. Upon the Scheme becoming effective, the difference between the amount of consideration paid and book value of those equity shares has been treated as goodwill. Further, the Company has credited a sum of ₹ 96.99 lakhs towards the share of loss of joint venture partner till the date of acquiring shares from April 01, 2015.

V. As per the Scheme of Amalgamation, the authorized share capital of the Company will automatically increase by the authorized share capital of Transferor Companies without any further act or deed on the part of the Company on the effective date as defined in the Scheme. In order to intimate the ROC,Goa regarding the Scheme and to get its authorised share capital increased as per the Scheme, the Company has filed E Form INC-28 on November 13, 2017.

VI. As per the Scheme, during the period between the Appointed date and the Effective date, the Transferor Companies have carried on the business in "trust" on behalf of the Company. Further, all profits or incomes earned and losses and expenses incurred by the Transferor Companies during the period, for all purposes, is profits or income or expenditure or losses of the Company.

VII. The title deeds for immovable properties, licenses, agreements, bank accounts, loan documents etc. of the Transferor Companies are in the process of being transferred in the name of the Company.

VIII. The Company had previously issued its financial statements for the previous year ended March 31, 2017 as on May 19, 2017. Due to the aforesaid NCLT order for Amalgamation which came after issuance of financial statements for the previous year, the comparative number for the previous year ended March 31, 2017 have been prepared after incorporating the financial statements of the erstwhile subsidiaries according to the Scheme of Amalgamation.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E/E300005

per **ANIL GUPTA**
Partner
Membership No. 87921

Place: New Delhi
Date: May 25, 2018

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

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN: 00244357

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President & Company Secretary
FCS: 2845

Place: Gurgaon
Date: May 25, 2018

Independent Auditor's Report

To the Members of Zuari Agro Chemicals Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Zuari Agro Chemicals Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its joint ventures and its associate, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Joint Ventures and its Associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion

Attention is drawn to Note 46 of the consolidated financial statement explaining the evaluation of recoverable amounts as required under IND AS 36 to assess impairment provision, if any, on the Parent Company's investment of Rs. 11,943.48 lakhs in the rock phosphate mining project through MCA Phosphate Pte Ltd, a joint venture company. The joint venture company audited by another auditor has provided for diminution in the entire value of the said investment. The Parent Company has received the valuation report; based on valuation carried out by external valuer; the value indicated is higher than the carrying amount. However we were unable to review the valuation report; Pending such review and in the absence of other sufficient appropriate audit evidence, we are unable to comment on the adjustments, if any, required to be made to the financial statements, in this regard.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries joint ventures and associates, except for the effects of the matter(s) described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS 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, of the consolidated state of affairs of the Group, its joint ventures and associates as at March 31, 2018, of their consolidated profit including other comprehensive income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

a) We draw attention to Note 43 of the consolidated financial statements, wherein the Parent Company is carrying receivable of ₹ 1,949.03 lakhs in relation to subsidy income accrued for the year ended March 31, 2013. The subsidy income is receivable since March 2013. Based on the legal opinion obtained by the parent Company, the amount is fully recoverable from the department of fertilisers. Pending settlement of the differential subsidy amount as more fully explained in note, the Parent Company has not made any provision in this regard in the financial statements. Our opinion is not qualified in respect of this matter.

b) Attention is invited to Note 18(a)(ii) to the consolidated financial statements regarding Urea Concession Income from the Government of India (GOI), which is being recognised by one of the subsidiaries based on estimates and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme. Our opinion is not qualified in respect of this matter.

Other Matter

a) The Consolidated Financial Statements include the Group's share of total comprehensive income (comprising of profits and other comprehensive income) of ₹ 5,986.55 lakhs for the year ended March 31, 2018 as considered in the consolidated financial statement, in respect of a joint venture including its subsidiary, whose financial statement and other financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it related to the amounts and disclosure included in respect of this joint venture including its subsidiary is based solely on the reports of the other auditors.

b) The comparative financial information of one of the subsidiaries and a unit for the year ended March 31, 2017 included in these consolidated Ind AS financial results, are based on the previously issued consolidated financial results prepared in accordance with the recognition and measurement principles of the Accounting Standards specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 18, 2017 expressed an unmodified opinion on those consolidated financial results.

c) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary, whose financial statements and other financial information reflect total assets of ₹ 557.52 lakhs as at March 31, 2018, and total revenues of ₹ 539.72 lakhs for the year ended on that date. The Consolidated financial statement also include Group's share of total comprehensive income (comprising of profits and other comprehensive income) of ₹ 134.33 lakhs) for the year ended March 31, 2018 in respect of one joint venture including its associate, based on unaudited financial statements and other unaudited financial information. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of this subsidiary and joint venture including its associate, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.Our opinion is not modified/qualified in respect of this matter.

d) One of the subsidiary and a joint venture including its associate are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been prepared under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary and a joint venture including its associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary and joint venture including associate located outside India is based on the conversion adjustments prepared by the management of the Company and reviewed by us.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures and associate we report that:

    (a) Except for the matter(s) described in the Basis for Qualified Opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

    (b) Except for the effects of the matter(s) described in the Basis for Qualified Opinion paragraph, In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;

    (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

    (d) Except for the effects of the matter(s) described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;

    (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

    (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, and joint ventures incorporated in India, none of the directors of the Group's companies and joint ventures incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, and joint ventures incorporated in India, refer to our separate report in "Annexure 1" to this report;

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, and joint ventures and associate as noted in the 'Other matter' paragraph:

        i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and joint ventures– Refer Note 33(b) to the consolidated Ind AS financial statements;

        ii. The Group and its joint ventures and associates did not have any material foreseeable losses in long-term contracts including derivative contracts;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries. Incorporated in India during the year ended March 31, 2018.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: May 25, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ZUARI AGRO CHEMICALS LIMITED

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

In conjunction with our audit of the consolidated financial statements of Zuari Agro Chemicals Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of [Zuari Agro Chemical Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls over financial reporting with reference to these consolidated financial statements in case of subsidiary and joint venture, which are companies incorporated in India, the following material weakness has been identified as at March 31, 2018:

(a) The Holding Company's internal financial controls over evaluation of provision for impairment in the value of investments were not operating effectively which could potentially result in the Holding Company not recognising provision for impairment in the value of investments.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria in respect of the Holding Company,its subsidiary companies and joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on"the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to subsidiary and joint venture, which are company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2018, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, the statement of changes in equity for the, year then ended, summary of significante accounting polices and others explanatory information, and our report dated May 25, 2018 expressed a Qualified opinion on the consolidated financial statements.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: May 25, 2018

Consolidated Balance Sheet as at 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
I ASSETS			
(1) Non-current assets			
Property, Plant and Equipment	**3**	166,675.98	165,931.07
Capital work-in-progress	**3**	14,656.26	14,252.41
Investment Property	**4**	362.29	362.29
Other Intangible Assets	**5**	12,748.87	12,991.71
Intangible Assets under development	**5**	-	19.34
Investment in Joint Ventures	**5A**	85,988.66	80,136.45
Financial Assets			
(i) Investments	**6A**	6,257.61	7,630.75
(ii) Loans	**6B**	1,244.32	1,190.34
(iii) Others	**6C**	1,760.60	49.43
Deferred tax asset(Net)	**17**	9,208.20	8,310.67
Other assets	**7**	8,037.98	9,659.37
Tax Assets (Net)	**17A**	5,222.09	6,720.91
		312,162.86	**307,254.74**
(2) Current assets			
Inventories	**8**	105,114.24	70,715.91
Financial Assets			
(i) Trade receivables	**9**	344,807.74	346,136.24
(ii) Cash and cash equivalents	**10**	14,738.96	6,564.80
(iii) Bank balances other than (ii) above	**10.1**	2,129.50	663.60
(iv) Loans	**6B**	848.77	2,369.63
(v) Others	**6C**	42,199.07	21,426.67
Other assets	**7**	9,809.74	4,555.92
		519,648.02	**452,432.78**
Total Assets		**831,810.88**	**759,687.52**
II EQUITY AND LIABILITIES			
Equity			
Equity Share capital	**11**	4,205.80	4,205.80
Other Equity		143,427.66	132,489.92
Equity attributable to equity holders of the Group		**147,633.46**	**136,695.72**
Non-controlling interests		39,002.91	36,442.93
Total Equity		**186,636.37**	**173,138.65**

Consolidated Balance Sheet as at 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
LIABILITIES			
(1) Non-current liabilities			
Financial Liabilities			
(i) Borrowings	**12 A**	52,029.19	49,301.01
(ii) Others	**14**	541.84	1,745.47
Provisions	**16**	1,536.94	1,555.08
Deferred tax liabilities(Net)	**17**	1,337.85	1,667.18
Other liabilities	**15**	102.34	119.40
(2) Current liabilities			
Financial Liabilities			
(i) Borrowings	**12 B**	383,412.24	362,989.81
(ii) Trade payables	**13**	151,026.74	107,859.13
(iii) Others	**14**	33,730.20	41,913.21
Provisions	**16**	3,278.21	3,472.47
Other liabilities	**15**	18,178.96	15,926.11
Total Equity and Liabilities		**831,810.88**	**759,687.52**

Summary of significant accounting policies **2**

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E/E300005

per **ANIL GUPTA**
Partner

Membership No. 87921

Place: New Delhi
Date: May 25, 2018

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

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN: 00244357

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President &
Company Secretary
FCS: 2845

Place: Gurgaon
Date: May 25, 2018

Consolidated Statement of Profit and Loss for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
I	**REVENUE**			
	Revenue From Operations	18	727,085.57	640,682.43
	Other Income	19	8,713.76	5,635.12
	Total Revenue (I)		**735,799.33**	**646,317.55**
II	**EXPENSES**			
	Cost of Materials Consumed	20	347,515.58	298,874.39
	Purchases of traded goods	20(a)	205,746.24	157,381.88
	Changes in inventories of finished goods, traded goods and work in progress	21	(34,569.94)	1,202.31
	Excise duty on goods	22	608.17	2,997.25
	Employee benefits expense	23	16,310.49	16,051.25
	Finance costs	24	40,358.35	43,953.76
	Depreciation and amortization expense	25	8,252.77	7,733.46
	Other expenses	26	137,963.05	117,094.54
	Total Expenses (II)		**722,184.71**	**645,288.84**
III	**Profit before share of profit of joint venture partner, exceptional items and tax (I - II)**		**13,614.62**	**1,028.71**
IV	Add: Share of profit of joint venture partner		5,848.78	3,251.78
V	**Profit before exceptional items and tax (III - IV)**		**19,463.40**	**4,280.49**
VI	Exceptional Items	29	1,393.53	6,433.04
VII	**Profit/ (Loss) before tax (V - VI)**		**18,069.87**	**(2,152.55)**
VIII	**Tax expense:**			
	(1) Current tax	17	3,566.29	680.00
	(2) MAT credit	17	(3,566.29)	(680.00)
	(3) Deferred Tax	17	3,929.63	(868.35)
	(4) Deferred Tax in respect of earlier years		(1,603.97)	-
	Total tax expense/ (credit)		**2,325.66**	**(868.35)**
IX	**Profit/ (Loss) for the year (VII - VIII)**		**15,744.21**	**(1,284.20)**
X	**Other Comprehensive Income/ (Loss)**		**(1,341.30)**	**1,218.87**
	A Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		39.40	163.23
	Income tax realting to items that will not be reclassified to Profit and Loss		(13.77)	(56.49)
	Net (loss)/gain on financial instruments		(1,373.14)	1,292.02
	Share of OCI of joint venture (net of tax)		102.81	35.76
	B Items that will be reclassified to profit or loss			
	Share of OCI of joint ventures (net of tax)		(159.67)	55.87
	Exchange differences on translation of foreign operations		63.07	(271.52)

Consolidated Statement of Profit and Loss for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
XI	**Total Comprehensive Income/(loss) for the year (IX + X)**		**14,402.91**	**(65.33)**
	(Comprising Profit (Loss) and Other Comprehensive Income for the year)			
	Profit/(Loss) for the year			
	Attributed to:			
	Equity holders of the Parent		12,898.37	(2,196.21)
	Non Controlling Interest		2,845.84	912.01
	Comprehensive income/(loss) for the year			
	Attributed to:			
	Equity holders of the Parent		(1,333.80)	1,213.87
	Non Controlling Interest		(7.50)	5.00
	Total Comprehensive income/(loss) for the year			
	Attributed to:			
	Equity holders of the Parent		11,564.57	(982.34)
	Non Controlling Interest		2,838.34	917.01
XII	Earnings/ (Loss) per equity share: (nominal value of share ₹ 10/- (31st March 2017- ₹ 10/-))	28		
	(1) Basic		30.67	(5.22)
	(2) Diluted		30.67	(5.22)

Summary of significant accounting policies 2

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E/E300005

per **ANIL GUPTA**
Partner

Membership No. 87921

Place: New Delhi
Date: May 25, 2018

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

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN: 00244357

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President &
Company Secretary
FCS: 2845

Place: Gurgaon
Date: May 25, 2018

Consolidated Statement of Cash Flows for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
A	**Cash Flow from Operating Activities**			
	Profit / (loss) before tax		18,069.87	(2,152.55)
	Share of (loss) of a joint venture partner		(5,848.78)	(3,251.78)
	Adjustments:			-
	Depreciation / amortisation	25	8,252.77	7,733.46
	Loss on disposal of property, plant and equipment (net)	26	735.76	115.66
	Excess Provision / Unclaimed Liabilities / unclaimed balances written back	19	(387.92)	(108.98)
	Bad debts, claims and advances written off	26	173.01	216.26
	Provision for doubtful debts, claims and advances	26	2,225.82	77.95
	Provision for GST refund receivable	26	161.30	-
	Subsidy claims written off	26	138.90	185.29
	Loss / (Profit) on sale of current investments	19	-	(3.80)
	Incentive under PSI Scheme	19	(17.05)	(17.05)
	Unrealized foreign exchange fluctuation loss		2,655.80	(1,216.56)
	Interest expense	24	32,078.16	31,396.72
	Interest income	19	(6,356.18)	(4,868.47)
	Dividend income	19	(2.16)	-
	Operating Profit before Working Capital changes		**51,879.30**	**28,106.15**
	Movements in working capital :			
	Increase/ (Decrease) in provisions		(173.00)	306.85
	Increase in trade payables and other liabilities		37,467.82	22,474.75
	Decrease in trade receivables		357.31	65,934.78
	Decrease/ (Increase) in Inventories		(34,398.32)	1,928.16
	(Increase) in other assets, financial assets		(23,934.04)	(5,566.08)
	Decrease in loans and advances		139.00	122.47
			(20,541.23)	**85,200.93**
	Cash Generated from Operations		**31,338.07**	**113,307.08**
	Less : Direct Tax paid (net of refunds)		(2,067.47)	(3,610.90)
	Net Cash Flow from Operating Activities (A)		**29,270.60**	**109,696.18**
B	**Cash Flow from Investing Activities:**			
	Purchase of property, plant and equipment, including intangible assets, CWIP and capital advances		(7,217.36)	(14,638.87)
	Proceeds from sale of Property, plant and equipment		3.47	160.51
	Purchase of non-current investments		-	(6,338.72)
	Advance for purchase of investments received back		-	11,920.00
	Purchase of current investments		-	(15,000.00)
	Investment of bank deposits (having original maturity of more than 3 months)		2.58	35.55
	Proceeds from sale/ maturity of current investments		-	15,003.80
	Proceeds from/ (realisation) of bank deposits (having original maturity of more than 3 months)		(1,588.50)	-
	Interest received		2,458.53	4,778.89
	Payment/ (realisation) in unclaimed dividend account		125.17	32.10
	Dividend received		2.16	-
	Net cash flow (used in) investing activities (B)		**(6,213.95)**	**(4,046.74)**

Consolidated Statement of Cash Flows for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
C	**Net Cash Flow From Financing Activities:**			
	Proceeds from long term borrowings		34,239.63	12,298.74
	(Repayment) of long term borrowings		(34,699.01)	(11,629.94)
	Proceeds from Buyer's Credit		219,741.41	314,595.82
	(Repayment) of Buyer's Credit		(247,338.09)	(384,181.38)
	Proceeds from short term loans		309,985.00	330,460.03
	(Repayment) of short term loans		(306,316.00)	(309,571.06)
	Proceeds from/ (Repayment) of other short term borrowings (net)	27	42,759.91	(20,212.84)
	Dividend paid on equity shares		(1,030.36)	(32.10)
	Interest paid		(32,224.98)	(31,986.37)
	Net cash flow (used in) in financing activities (C)		(14,882.49)	(100,259.10)
	Net cash flow (used in) in financing activities (C)		**(23,525.79)**	**(78,459.44)**
D	**Net (decrease)/increase In cash and cash equivalents (A + B + C)**		**8,174.16**	**5,390.34**
	Cash and cash equivalents (Opening)		6,564.80	1,174.46
	Cash and cash equivalents (Closing)	9	**14,738.96**	**6,564.80**

* Cash Flow from operating activities for the March 31, 2018 is after considering Corporate Social Responsibility Expenditure of ₹ 61.96 lakhs (March 31,2017: ₹ 103.30 lakhs).

CASH AND CASH EQUIVALENTS	For the year ended 31 March 2018	For the year ended 31 March 2017
Balances with banks		
- On Current accounts	6,121.82	6,548.03
- On deposit accounts (with maturity 3 months or less)	8,600.00	-
Cash on hand	3.18	3.06
Cheques/drafts on hand	13.96	13.71
Cash and cash equivalents	**14,738.96**	**6,564.80**

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES	1st April 2017	Cash Flows	Foreign Exchange Movement	31st March 2018
Long term borrowings (Refer Note 12A & 14)	66,887.48	(459.37)	802.54	67,230.65
Short term borrowings (Refer Note 13)	362,989.81	18,832.24	1,590.19	383,412.24
Cash and cash equivalents	**429,877.29**	**18,372.87**	**2,392.73**	**450,642.89**

Summary of significant accounting policies 2

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/E300005

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN: 00244357

per **ANIL GUPTA**
Partner
Membership No. 87921

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President &
Company Secretary
FCS: 2845

Place: New Delhi
Date: May 25, 2018

Place: Gurgaon
Date: May 25, 2018

Consolidated Statement of Changes in Equity for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

(a) Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount (₹ in lakhs)
At 31 March 2017	42,058,006	4,205.80
At 31 March 2018	42,058,006	4,205.80

(b) Other equity (Refer Note 54)

For the year ended 31 March 2018: (₹ In Lakhs)

	Reserves and surplus				Items of OCI		Total	Non Controlling Interest	Total
	Business Restructuring Reserve *	Capital Reserves	Surplus in the statement of profit and loss	General reserve	Foreign Currency Translation Reserve	Equity/(Debt) instruments through OCI			
As at 1 April 2017	**65,404.84**	**57,667.51**	**1,455.98**	**6,150.00**	**359.92**	**1,451.67**	**132,489.92**	**36,442.93**	**168,932.85**
Profit for the year	-	-	12,898.37	-	-	-	12,898.37	2,845.84	**15,744.21**
Other comprehensive income/(loss)	-	-	135.94	-	63.07	(1,532.81)	(1,333.80)	(7.50)	**(1,341.30)**
Total comprehensive income for the year	**-**	**-**	**13,034.31**	**-**	**63.07**	**(1,532.81)**	**11,564.57**	**2,838.34**	**14,402.91**
Cash dividends	-	-	**(420.58)**	-	-	-	**(420.58)**	**(278.36)**	**(698.94)**
Dividend distribution tax (DDT)	-	-	**(206.25)**	-	-	-	**(206.25)**	**-**	**(206.25)**
At 31 March 2018	**65,404.84**	**57,667.51**	**13,863.46**	**6,150.00**	**422.99**	**(81.14)**	**143,427.66**	**39,002.91**	**182,430.57**

For the year ended 31 March 2017: (₹ In Lakhs)

	Reserves and surplus				Items of OCI		Total	Non Controlling Interest	Total
	Business Restructuring Reserve *	Capital Reserves	Surplus in the statement of profit and loss	General reserve	Foreign Currency Translation Reserve	Equity/(Debt) instruments through OCI			
As at 1 April 2016	**65,404.84**	**57,667.51**	**3,514.69**	**6,150.00**	**631.43**	**103.79**	**133,472.26**	**35,525.92**	**168,998.18**
Profit/(loss) for the year	-		(2,196.21)	-	-		(2,196.21)	912.01	**(1,284.20)**
Other comprehensive income/(loss)	-		137.50	-	(271.51)	1,347.88	1,213.87	5.00	**1,218.87**
Total comprehensive income/(loss) for the year	**-**	**-**	**(2,058.71)**	**-**	**(271.51)**	**1,347.88**	**(982.34)**	**917.01**	**(65.33)**
At 31 March 2017	**65,404.84**	**57,667.51**	**1,455.98**	**6,150.00**	**359.92**	**1,451.67**	**132,489.92**	**36,442.93**	**168,932.85**

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

Summary of significant accounting policies **2**

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E/E300005

per **ANIL GUPTA**
Partner
Membership No. 87921

Place: New Delhi
Date: May 25, 2018

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

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN: 00244357

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President &
Company Secretary
FCS: 2845

Place: Gurgaon
Date: May 25, 2018

1. Corporate Information

The Consolidated Financial Statements comprise financial statements of "Zuari Agro Chemicals Limited" ("the Parent Company" or "ZACL") and its subsidiaries (collectively, the Group), its joint ventures and associate for the year ended 31 March 2018.

The Parent Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at Jai Kisaan Bhawan, Zuarinagar, Goa 403726.

The Group is in the business of manufacturing, trading and marketing of chemical fertilizers, water soluble fertilizers, seeds, pesticides and fertilizer products.

The National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated 14th September 2017 has approved/ sanctioned the scheme of amalgamation of Zuari Fertilisers and Chemicals Limited (ZFCL), Zuari Speciality Fertilizers Limited (formerly known as Zuari Rotem Speciality Fertilizers Limited) (ZSFL) and Zuari Agri Sciences Limited (ZASL) with the Parent Company under the provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956 and Sections 230 to 232 of the Companies Act, 2013, as may be applicable. The appointed date of the Amalgamation is April 01, 2015. The amalgamation came into effect from 13th November 2017 pursuant to filing of NCLT order with the Registrar of Companies on the said date. As a consequence of the amalgamation, there is no change in the shareholding pattern of the Parent Company, given that the Parent Company is not required to issue any shares pursuant to the Amalgamation of all the Transferor Companies i.e. ZFCL, ZSFL and ZASL. ZFCL and ZASL were the wholly-owned subsidiaries of the Parent Company. The Parent Company has on December 11, 2015 acquired balance 50% of equity shares of ZSFL held by Rotem Amfert Negev Limited for ₹ 1,332.33 lakhs. (Refer Note No 54 for details).

These Consolidated Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors of the Parent Company in their meeting held on 25th May 2018.

2.A. Summary of Significant Accounting Policies

i) Basis of Preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Group has prepared these Consolidated Financial Statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 ("the Act").

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost basis,except for the following assets and liabilities which have been measured at fair value-

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value,

The financial statements of the Company are presented in Indian Rupee (Rs.) and all values are rounded to the nearest lakhs (` 00,000), except when otherwise indicated.

The accounting policies have been consistently applied by the Group and are consistent with those used in previous year, except for the change in accounting policy explained in note no. 2A (ii).

The Group had previously issued its audited Consolidated Financial Statements for the previous year ended March 31, 2017 on May 19, 2017. Due to the aforementioned NCLT Order for amalgamation, which came after issuance of the Consolidated Financial Statements for the previous year, the comparative numbers for the previous year ended March 31, 2017 have been prepared after incorporating the financial statements of these erstwhile subsidiaries in terms of the Scheme of Amalgamation (refer Note 54).

ii) Change in accounting policies

The Parent Company, hitherto, recognized interest income from dealers on delayed payments, once the principal payment of a particular invoice was received from the dealer. However, during the financial year, the Parent Company has changed its policy of accruing interest income on overdue dealer balances fully on accrual basis to the extent the Parent Company is reasonably certain of their ultimate collection. This change of policy has

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

resulted into profit before tax for the year being higher by ₹ 2,300.09 lakhs.

iii) Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company, its subsidiaries, joint ventures and its associateas at 31 March 2018. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. However the non-controlling interests have been restricted to zero on the transition date i.e. April 1, 2015 using the exemption provided by the Ind AS 101 and the accumulated losses attributable to the non-controlling interest holders in excess of their equity on the transition date, in the absence of the contractual obligation on the non-controlling interest holders, the same has been accounted for by the Parent Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

iv) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

  When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

  If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

  Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

  After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

  A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

  Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

  If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

v) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its associate and joint ventures are accounted for using the equity method from the date on which it becomes an associate or a joint venture. On acquisition of the investment, any difference between the cost of the investment and the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

(a) Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.

(b) Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss includes the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

vi) Basis of classification of Current and Non-Current

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

An asset has been classified as current if

a) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle; or

b) it is held primarily for the purpose of being traded; or
c) it is expected to be realized within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets have been classified as non-current.

A liability has been classified as current when

a) it is expected to be settled in the Group's normal operating cycle; or
b) it is held primarily for the purpose of being traded; or
c) it is due to be settled within twelve months after the reporting date; or
d) theGroup does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities have been classified as non-current.

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

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

vii) Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rs.), which is Group's functional and presentation currency.

(b) Initial recognition

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

(c) Conversion

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

(d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

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

(e) Translation of a foreign operation

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the Parent and no further translation differences occur.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

viii) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

xi) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

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

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

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

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

x) Property, plant and equipment

On transition to Ind AS i.e. April 01, 2015, the Group has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at April 01, 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.(however, in relation to Leasehold land acquired on acquisition of one division (erstwhile joint venture company and became subsidiary company subsequently) have been stated at fair value instead of cost.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, including import duties and non- refundable purchase taxes, borrowing costs if recognition criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price(however, in relation to Leasehold land acquired on acquisition of one division (erstwhile joint venture company and became subsidiary company subsequently) have been stated at fair value instead of cost.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing PPE beyond its previously assessed standard of performance. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of the 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 derecognized.

xi) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment(other than specific asset referred under Para (a) to (d) belowis calculated using the straight-line basis using the rates arrived at, based on the useful lives estimated by the management. For this purpose, a major portion of the plant has been considered as continuous process plant. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of principal asset. The Group has used the following rates to provide depreciation on its property, plant and equipment which are equal to the rates specified in Schedule II to Companies Act, 2013.

Useful lives estimated by the management (years)	
Factory buildings	30 years
Other buildings (RCC structures)	60 years
Roads, Culverts and Drainage	3 to 30 years
Other buildings (other than RCC structures)	30 years
Plant and equipment (Continuous process plant)	15 &25 years
Plant and equipment (Others)	15 years
Furniture and fixtures	10 years
Office equipment	3 to 6 years
Vehicles	8 & 10 years
Railway Siding	15 years

(a) In case of the Parent Company, the useful lives of components of certain plant and equipment are estimated as 5 to 20 years. These lives are different than those indicated in Schedule II.

(b) In case of the Parent Company, the management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

a. The useful lives of certain plant and machinery having net block of ₹ 195.37 lakhs are estimated as 30 to 40

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year. These lives are higher than those indicated in schedule II.

b. The useful lives of certain buildings having net block of ₹ 290.42 lakhs are estimated as 15 year. These lives are lower than those indicated in schedule II.

(c) Insurance/ capital/ critical stores and spares are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/ critical spares, whichever is lower.

(d) Property, plant and equipment whose value is less than ₹ 5,000/- are depreciated fully in the year of purchase.

Leasehold land are amortized on a straight-line basis over the lease tenure i.e. 95 years. In respect of the Parent Company, in case of one of the leasehold land, lease cum sale agreement is for a period of 10 years. Lesser shall sell the property during the currency of the lease period or at the end of the lease period. Hence no depreciation has been provided thereon.

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

xii) Intangible Assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The following are the acquired intangible assets:

Software

Management of the Group assessed the useful life of software as finite and cost of software is amortized over their estimated useful life of three years on straight line basis.

Research and development costs

Expenditure incurred on development of new products as covered under Ind AS 38 for which future economic benefits will flow over a period of time is amortized, over the estimated useful life of the asset or 5 years whichever is earlier.

Goodwill (as per scheme of amalgamation)

Goodwill, being immaterial, arising on account of amalgamation of Greentech Seeds International Private Limited 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).

Goodwill (pursuant to the scheme of amalgamation)

Goodwill arises pursuant to the scheme of amalgamation of ZuariSpeciality Fertilizers Limited has been tested for impairment. No provision towards impairment is required.

xiii) Investment Property

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

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

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

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

xiv) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired.If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determiningfair value less costs of disposal, recent market transactions are taken into account, if available, and if no such transactions can be identified an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

xv) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Leases as a lessee:

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the

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ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Operating Leases as a lessee:

Leases, where the lessor effectively retains substantially all the risks and rewards 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, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

xvi) Financial instruments

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

a) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Debt Instruments-

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Instruments-

Investments in subsidiaries are subsequently measured at cost.

For the purposes of subsequent measurement of other equity instruments classification is made into below two categories:

- Equity instruments at fair value through profit or loss (FVTPL)
- equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity investments other than investments in subsidiaries are measured at fair value. The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument -by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

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

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

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

b) Financial liabilities

Initial recognition and measurement

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

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All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that arean integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 Financial instruments and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Derecognition

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

c) Offsetting of financial instruments

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

xvii) Cash and Cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's Cash management.

xviii) Dividend to equity holders of the Parent Company

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

xix) 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-progress: 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

(d) 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.

Cost includes the necessary cost incurred in bringing inventory to its present location and condition necessary for use.

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

xx) Borrowing Costs

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 are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs include interest andamortization of ancillary costs incurred in connection with the arrangement of borrowing. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

xxi) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements.

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. , recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

Service Income is recognized on accrual basis at agreed rate in accordance with the terms of the agreement.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/ Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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.

Insurance claims and receivable on account of interest from dealers on delayed payment are accounted for to the extent the Group is reasonably certain of their ultimate collection.

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest

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rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

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

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

xxii) Retirement and other employee benefits

a) Provident Fund

Retirement benefits in the form of Provident Fund is a defined benefit obligation in respect of fertilizer unit in Goa of the Parent Company and is provided for on the basis of actuarial valuation of projected unit credit method made at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and 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. Any excess of plan assets over projected benefit obligation is ignored as such surplus is distributed to the beneficiaries of the trust.

In case of a subsidiary and other units of the Parent Company, Provident fund is a defined contribution scheme. The subsidiary company and other units of the Parent Company do not have any other obligation other than contribution made to the fund. The subsidiary company and other units of the Parent Company 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 e.g. a reduction in future payment or a cash refund.

b) Superannuation and Contributory Pension Fund

The Parent Company has approved Superannuation Fund and Contributory Pension Fund whereas one subsidiary company have only approved Superannuation Fund, which are defined contribution schemes. These companies have no obligation, other than contribution payable to the Superannuation Fund and Contributory Pension Fund to Life Insurance Corporation of India (LIC) against the insurance policies taken with them. These companies recognize contribution payable to the fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for e.g. a reduction in future payment or a cash refund.

c) Gratuity

Retirement benefit in the form of gratuity is 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 Parent Company and a subsidiary 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.

d) Post-Retirement Medical Benefit

In respect of the Parent Company post-retirement 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.

e) Leave Encashment

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

The 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. The Group presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where 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.

f) Pension Fund

In respect of the Parent Company, retirement benefit in the form of family pension fund and National Pension Scheme are defined contribution scheme. The Parent Company has no obligation, other than the contribution payable to the pension fund. The Parent Company recognizes contribution payable to the pension fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for e.g. a reduction in future payment or a cash refund.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (loss) are not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

g) Voluntary Retirement Scheme

Compensation to employees under the voluntary retirement scheme of the Parent Company is computed on the basis of number of employees exercising the retirement option under the scheme. The present value of the expected obligation is charged to the Statement of Profit and Loss in the year when such scheme is formally announced.

h) Short term employee benefits

All employee benefits payable/ available within twelve months of rendering of service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

xxiii) Taxes

Current Income tax and Deferred Tax

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets

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(Amount in ₹ lakhs, unless otherwise stated)

and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that thetemporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transactioneither in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" and grouped under Deferred Tax. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and Service Tax (GST) / Sales/value added taxes paid on acquisition of assets or on incurring expenses
When GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of GST paid. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

xxiv) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Parent Company by the weighted average number of the 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 of the Parent Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

xxv) Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent liabilities are disclosed by way of notes in the financial statements.

A contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent assets are neither recognized nor disclosed in the financial statements.

xxvi) 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 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, it is recognised as income in equal amounts over the expected useful life of the related asset.

xxvii) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

In case of seeds division, the Parent Company makes an estimation of probable sales return out of the sales booked during the financial year, considering the terms and condition of the sale and past tendency of such sales return. A provision is made for loss on account of such estimated sales return which is approximate to the amount of profit originally booked on such sale.

xxviii) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker review the performance of the Group according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

Segment accounting policies

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

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Defined benefit plans

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

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

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The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit obligations are given in note 32.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where ever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 36 for further disclosures.

c) Useful life of Property, plant and equipment

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

2.C. New and amended standards and interpretations

The Group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of each amendment is described below:

i) Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for current year in the Statement of Cash Flows.

ii) Amendments to Ind AS 102 Classification and Measurement of Share-based Payment Transactions

The amendments to Ind AS 102 Share-based Payment addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Group applied these amendments without restating prior periods. However, their application has no effect on the Group's financial position and performance as the Group had no such transaction.

2.D. Recent Accounting pronouncements

Standards issued but not applicable on the reporting period financial statements:

i) Ind AS 115 on Revenue from Contracts with Customers

In March 2018 the Ministry of Corporate Affairs has notified Ind AS 115, Revenue from Contracts with Customers. The standard is effective from reporting period commencing from 1st April 2018. In order to record revenue in books and consequential obligations, the standard requires the entities to identify contracts with its customers and to identify various performance obligations in the contract. The entity is required to recognize revenue once it satisfies related performance obligation as per the contract with its customer. The Group is evaluating the requirements of the standard and the effect will be duly given on the financial statements of applicable period.

ii) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any material impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

iii) Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its financial statements.

iv) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its financial statements.

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(Amount in ₹ lakhs, unless otherwise stated)

3. Property, plant and equipment

Particulars	Freehold Land	Leasehold Land*	Buildings	Railway Siding	Plant & Equipment	Furniture & fixtures**	Office equipment	Vehicles	Total	Capital work in progress	Grand Total
Deemed Cost											
As at 31.03.2016	**64,192.08**	**852.82**	**11,928.81**	**1,036.20**	**93,377.04**	**785.38**	**978.50**	**458.30**	**173,609.13**	**10,201.63**	**183,810.76**
Additions	-	-	1,125.93	-	4,352.11	67.48	87.49	80.37	5,713.38	5,868.42	11,581.80
Borrowing costs	-	-	53.58	-	107.31	-	-	-	160.89	-	160.89
Disposals	-	3.04	3.89	-	303.80	17.95	9.88	64.27	402.83	1,817.64	2,220.47
As at 31.03.2017	**64,192.08**	**849.78**	**13,104.43**	**1,036.20**	**97,532.66**	**834.91**	**1,056.11**	**474.40**	**179,080.57**	**14,252.41**	**193,332.98**
Additions	-	23.92	236.42	-	7,272.02	340.14	160.85	659.57	8,692.92	8,483.79	17,176.71
Borrowing costs	-	-	-	-	601.79	-	-	-	601.79	-	601.79
Disposals	-	-	8.32	-	1,042.10	49.62	3.55	8.10	1,111.69	8,079.94	9,191.63
As at 31.03.2018	**64,192.08**	**873.70**	**13,332.53**	**1,036.20**	**104,364.37**	**1,125.43**	**1,213.41**	**1,125.87**	**187,263.59**	**14,656.26**	**201,919.85**
Depreciation											
As at 31.03.2016	-	12.03	380.04	71.89	5,085.10	132.74	205.75	92.05	5,979.60	-	5,979.60
Charge for the year	-	4.23	507.75	88.38	6,262.84	140.56	227.70	83.21	7,314.67	-	7,314.67
Disposals	-	-	0.27	-	98.74	7.91	7.42	30.43	144.77	-	144.77
As at 31.03.2017	**-**	**16.26**	**887.52**	**160.27**	**11,249.20**	**265.39**	**426.03**	**144.83**	**13,149.50**	**-**	**13,149.50**
Charge for the year	-	4.35	443.51	87.68	6,755.37	162.86	221.47	135.34	7,810.58	-	7,810.58
Disposals	-	-	0.99	-	324.34	37.12	3.15	6.87	372.46	-	372.46
As at 31.03.2018	**-**	**20.61**	**1,330.04**	**247.95**	**17,680.23**	**391.13**	**644.35**	**273.30**	**20,587.61**	**-**	**20,587.61**
Net block											
As at 31.03.2018	**64,192.08**	**853.09**	**12,002.49**	**788.25**	**86,684.14**	**734.30**	**569.06**	**852.57**	**166,675.98**	**14,656.26**	**181,332.24**
As at 31.03.2017	**64,192.08**	**833.52**	**12,216.91**	**875.93**	**86,283.46**	**569.52**	**630.08**	**329.57**	**165,931.07**	**14,252.41**	**180,183.48**

* This includes land of ₹ 396.00 lakhs wherein lease cum sale agreement is for a period of 10 years. Lesser shall sell the property at the end of the lease period or extended period, if any. Additions during the year represents registration charges.

In respect of security against PPE, refer Note 12.

Borrowing Costs (₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance brought down	864.47	121.32
Interest expenses	896.13	904.04
Sub-Total	**1,760.60**	**1,025.36**
Less: Allocated to Property, Plant and equipment	614.01	160.89
Balance carried down (included in Capital work in progress)	**1,146.59**	**864.47**

Capitalised borrowing costs

The rate used to determine the amount of borrowing costs eligible for capitalisation by the Fertiliser Division was 10.1%, which is the effective interest rate of the specific borrowing.

4 Investment property

Particulars	(₹ in Lakhs)
Opening balance at 1 April 2016	**362.29**
Additions (subsequent expenditure)	**-**
Closing balance at 31 March 2017	**362.29**
Additions (subsequent expenditure)	-
Closing balance at 31 March 2018	**362.29**
Depreciation and impairment	
Opening balance at 1 April 2016	-
Depreciation (Note 25)	-
Closing balance at 31st March 2017	**-**
Depreciation for the year	-
Closing balance at 31st March 2018	**-**
Net Block	
at 1st April 2016	**362.29**
at 31st March 2017	**362.29**
at 31st March 2018	**362.29**

(₹ in Lakhs)

Information regarding income and expenditure of Investment property	At 31 March 2018	At 31 March 2017
Rental income derived from investment properties	Nil	Nil
Direct operating expenses (including repairs and maintenance) generating rental income	Nil	Nil
Direct operating expenses (including repairs and maintenance) that did not generate rental income	Nil	Nil
Profit arising from investment properties before depreciation and indirect expenses	Nil	Nil
Less – Depreciation	Nil	Nil
Profit arising from investment properties before indirect expenses	Nil	Nil

Investment property consist of freehold land owned by the Group.

As at 31 March 2018 and 31 March 2017, the fair values of the properties are ₹ 484.00 lakhs and ₹ 430.00 lakhs respectively. These valuations are based on valuations performed by Vr. Er. R. Aruljothi, an accredited independent valuer. Vr. Er. R. Aruljothi is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

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

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

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

Reconciliation of fair value:	(₹ in Lakhs)
Opening balance as at 01st April 2016	403.20
Fair value difference	26.80
Purchases	-
Opening balance as at 01st April 2017	430.00
Fair value difference	54.00
Purchases	-
Closing balance as at 31st March 2018	484.00

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5. Intangible Assets

(₹ in Lakhs)

Particulars	Software	Goodwill (as per scheme of amalgamation)*	BT Cotton (Internally generated)	Bajra (Externally generated)	Goodwill (pursuant to the Scheme of Amalgamation)**	Trademark	Total	Intangible assets under development	Total
Deemed Cost									
As at 31.03.2016	**328.83**	**403.60**	**15.32**	**8.27**	**1,533.53**	**11,405.00**	**13,694.55**	**15.02**	**13,709.57**
Additions pursuant to the scheme of merger									
Additions	92.23	-	-	-	-	-	92.23	19.34	111.57
Disposals	6.83	-	-	-	-	-	6.83	15.02	21.85
As at 31.03.2017	**414.23**	**403.60**	**15.32**	**8.27**	**1,533.53**	**11,405.00**	**13,779.95**	**19.34**	**13,799.29**
Additions	199.35	-	-	-	-	-	199.35	82.38	281.73
Disposals	-	-	-	-	-	-	-	101.72	101.72
As at 31.03.2018	**613.58**	**403.60**	**15.32**	**8.27**	**1,533.53**	**11,405.00**	**13,979.30**	**-**	**13,979.30**
Amortization									
As at 31.03.2016	98.37	-	15.32	8.27	-	249.19	371.15	-	371.15
Charge for the year	133.66	-	-	-	-	285.13	418.79	-	418.79
Disposals	1.70	-	-	-	-	-	1.70	-	1.70
As at 31.03.2017	**230.33**	**-**	**15.32**	**8.27**	**-**	**534.32**	**788.24**	**-**	**788.24**
Charge for the year	128.23	28.83	-	-	-	285.13	442.19	-	442.19
Disposals	-	-	-	-	-	-	-	-	-
As at 31.03.2018	**358.56**	**28.83**	**15.32**	**8.27**	**-**	**819.45**	**1,230.43**	**-**	**1,230.43**
Net block									
As at 31.03.2018	**255.02**	**374.77**	**-**	**-**	**1,533.53**	**10,585.55**	**12,748.87**	**-**	**12,748.87**
As at 31.03.2017	**183.90**	**403.60**	**-**	**-**	**1,533.53**	**10,870.68**	**12,991.71**	**19.34**	**13,011.05**

Note:

* Goodwill, being immaterial amount, which arose on account of amalgamation of Greentech Seeds International Pvt Limited with the erstwhile subsidiary Company, has been amortized during the current year (but not in the previous year), pursuant to the scheme of amalgamation approved by the High Court of Bombay at Panaji (Goa) in an earlier year. As per the order of the High Court of Bombay at Panaji (Goa), 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.

** Goodwill, which arose pursuant to the scheme of amalgamation of Zuari Speciality Fertilisers Limited (ZSFL) with the Parent Company.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018
(Amount in ₹ lakhs, unless otherwise stated)

5A. Investment in Joint Ventures (₹ in Lakhs)

Particulars	Non Current			
	31 March 2018		31 March 2017	
Investments in Unquoted Equity Instruments carried at cost				
Investment in Joint Ventures				
17,98,16,228 (31st March 2017: 17,98,16,228) Equity shares of ₹ 10/- each fully paid-up of Zuari Maroc Phosphates Private Limited	68,307.74		64,734.51	
Add/(Less): Share of OCI for the year	(56.86)		91.64	
Add/(Less): Share of profit for the year	6,043.40	74,294.28	3,481.59	68,307.74
2,16,90,000 (31st March 2017: 2,16,90,000) Equity shares of USD 1.00/each fully paid of MCA Phosphate Pte Limited (Refer Note 46)	11,828.71		12,330.04	
Add/(Less): Share of OCI for the year	60.29		(271.52)	
Add/(Less): Share of profit/(loss) for the year	(194.62)	11,694.38	(229.81)	11,828.71
Total		**85,988.66**		**80,136.45**

6. Financial assets

6A Investments (₹ in Lakhs)

Particulars	Non Current			
	31 March 2018		31 March 2017	
Investments in equity instruments carried at fair value through Other comprehensive income (OCI)				
Quoted equity instruments				
3,22,67,741 (31st March 2017: 3,22,67,741) Equity shares of ₹ 1/- each fully paid-up of Nagarjuna Fertilisers and Chemicals Limited		4,985.37		6,259.95
Unquoted equity instruments				
72,000 (31st March 2017: 72,000) Equity shares of ₹ 10/- each fully paid up of Indian Potash Limited		1,272.24		1,370.80
Investments in Unquoted preference shares				
Investments at fair value through profit or loss				
Bangalore Beverages Limited				
(2,00,000 (31st March 2017: 2,00,000) Redeemable cumulative preference shares of ₹ 1/- each with coupon rate of 10% p.a. repayable after 20 years)	20,000.00		20,000.00	
Less:- Provision for diminution in the value of investment	(20,000.00)	-	(20,000.00)	-
Total		**6,257.61**		**7,630.75**
Aggregate Value of quoted Investments		4,985.37		6,259.95
Aggregate Value of unquoted Investments		1,272.24		1,370.80
Total		**6,257.61**		**7,630.75**
Market Value of quoted Investments		**4,985.37**		**6,259.95**

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

6B Loans

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Security deposits				
Unsecured, considered good				
- with related parties (Refer Note 34)	29.33	-	-	-
- with others	1,126.11	1,059.01	124.30	62.43
Loans and advances to related parties (Refer note 34)				
Unsecured, considered good	-	-	700.00	20.64
Other Loans and Advances				
Secured, considered good				
Loans to employees	9.38	17.34	6.86	10.26
Interest accrued on loans to employees	6.59	20.28	-	1.78
Unsecured, considered good				
Loans to employees	47.94	64.97	14.00	22.84
Interest accrued on loans to employees	24.97	28.74	3.61	8.46
Inter corporate deposits (Refer Note 53)	-	-	-	2,000.00
Interest accrued on loans, advances and deposits (Refer Note 53)	-	-	-	243.22
Unsecured, considered doubtful				
Inter corporate deposits (Refer Note 53)			1,060.56	-
Interest accrued on inter corporate deposits (Refer Note 53)			332.98	
Less: Provision for doubtful deposits and interest accrued			(1,393.54)	-
Total	**1,244.32**	**1,190.34**	**848.77**	**2,369.63**

In respect of security against loans, refer Note 12.

6C Other financial assets

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Other financial assets (Unsecured, Considered good)				
Foreign Exchange Forward covers	40.98	-	648.11	-
Non-Current Bank Balances (Refer Note 10.1)	3.35	5.93	-	-
Accrued Service Income				
- from related parties (Refer Note 34)	-	-	-	198.31
- from others	-	-	74.28	403.46
Claim receivable	1,682.57	-	3,025.83	5,357.80
Refund receivable GST			21,942.67	-
Receivables from Gas pool operator	-	-	9,520.91	11,164.46
Rebate/discount receivable from suppliers	-	-	632.26	1,789.42
Interest receivable from customers				
- from related parties (Refer Note 34)	-	-	289.08	218.86
- from others	-	-	5,823.11	2,097.19
Interest receivable on bank deposits			11.51	-
Interest Accrued on Deposits with others	-	-	173.90	149.57
PSI grant receivable (Refer Note 44)	33.70	43.50	57.41	47.60
Total	**1,760.60**	**49.43**	**42,199.07**	**21,426.67**

In respect of security against other financial assets, refer Note 12.

Break up of financial assets carried at amortised cost (₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Loans	1,244.32	1,190.34	848.77	2,369.63
Trade Receivables	-	-	344,807.74	346,136.24
Cash and cash equivalents	-	-	14,738.96	6,564.80
Other Bank Balances	-	-	2,129.50	663.60
Other financial assets	1,760.60	49.43	42,199.07	21,426.67
Total financial assets carried at amortised cost	**3,004.92**	**1,239.77**	**404,724.04**	**377,160.94**

7. Other assets

(₹ in Lakhs)

Particulars	Non current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Unsecured, considered good, except where otherwise stated				
Capital advances-				
Related Parties (Refer Note 34)	3,209.13	3,909.12	-	-
Others	1,161.28	1,774.42	-	-
Advances (other than capital advances)				
Related Parties, considered good (Refer Note 34)	-	-	6.24	26.17
Others, considered good (Refer Note 45)	3,667.58	3,824.66	1,610.47	1,449.64
Others, considered doubtful	1,668.20	1,668.20	56.10	55.78
Advance to employees	-	-	6.90	36.46
Balances with statutory authorities (considered good)	-	17.72	5,584.31	1,271.29
Balances with statutory authorities (considered doubtful)	-	-	161.30	-
Prepaid expenses	-	133.45	2,601.82	1,772.36
	5,335.78	**5,644.03**	**10,027.14**	**4,611.70**
Less: Provision for doubtful advances	(1,668.20)	(1,668.20)	(217.40)	(55.78)
	3,667.58	**3,975.83**	**9,809.74**	**4,555.92**
Total other assets	**8,037.98**	**9,659.37**	**9,809.74**	**4,555.92**

In respect of security against other assets, refer Note 12.

8 Inventories

(₹ in lakhs)

Particulars	At 31 March 2018	At 31 March 2017
Raw materials [includes material in transit ₹ 11,906.40 lakhs (31st March 2017: ₹ 16,274.12 lakhs)]	31,455.11	30,752.78
Work-in-progress	4,058.92	3,085.72
Finished goods	24,470.45	10,571.63
Traded goods [includes material in transit ₹ 9,355.96 lakhs and material lying with others ₹ 632.77 lakhs] (31st March 2017: includes material in transit ₹ Nil lakhs and material lying with others ₹ 1,274.95 lakhs]	36,540.46	16,842.54
Fuel Oil	2,427.14	2,982.77
Stores and spares [includes material in transit ₹ 197.20 lakhs (31st March 2017: ₹ 156.28 lakhs)]	6,162.16	6,480.47
Total	**105,114.24**	**70,715.91**

During the year ended 31 March 2018, ₹ 968.90 lakhs (31 March 2017: ₹ 574.12 Lakhs) was recognised as an expense for inventories carried at net realisable value.

In respect of security against inventories, refer Note 12.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

9. Trade receivables (at amortized cost)

(₹ in lakhs)

Particulars	At 31 March 2018	At 31 March 2017
Trade receivables - related parties (Refer Note 34)	975.89	795.19
Trade receivables - others	343,831.85	345,341.05
Total Trade Receivables	**344,807.74**	**346,136.24**

Break-up for security details:

(₹ in Lakhs)

Particulars	At 31 March 2018	At 31 March 2017
From Related Parties (Refer Note 34)		
Secured, considered good	0.50	0.50
Unsecured, considered good	975.39	794.68
From Others		
Secured, considered good	7,026.24	7,695.53
Unsecured, considered good [including subsidy receivable ₹ 2,50,310.48 lakhs (31st March 2017: ₹ 2,18,073.87 lakhs)]	336,805.61	337,645.73
Unsecured, considered doubtful	1,336.33	504.39
Total	**346,144.07**	**346,640.83**
Less : Provision for Doubtful Debts	(1,336.33)	(504.39)
Total	**344,807.74**	**346,136.44**

No trade or other receivable are due from directors or other officers of the Parent Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables from dealers are non-interest bearing during the normal credit periods and are generally on terms of 15 to 120 days.

In respect of security against Trade Receivables, refer Note 12.

10. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	At 31 March 2018	At 31 March 2017
Cash and cash equivalents		
a. Balances with banks		
- On Current accounts	6,121.82	6,548.03
- On deposit accounts (with maturity 3 months or less)	8,600.00	-
b. Cash on hand	3.18	3.06
c. Cheque on hand	13.96	13.71
Total	**14,738.96**	**6,564.80**

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

10.1. Other Bank balances

(₹ in lakhs)

Particulars	At 31 March 2018	At 31 March 2017
Current:		
Other Bank Balances :		
- On Unpaid dividend accounts (repatriation restricted)	272.98	398.15
Balances with banks-current account- escrow account	0.01	0.45
Deposits with remaining maturity for less than 12 months	378.51	-
Margin money deposits	1,478.00	265.00
Total	**2,129.51**	**663.60**
Non Current:		
Other Bank Balances :		
Deposits with remaining maturity for more than 12 months	3.35	5.93
Total	**3.35**	**5.93**
Amount disclosed under other non current financial assets	3.35	5.93

11. Share Capital

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Authorised**		
12,25,00,000 (31st March 2017: 12,25,00,000) Equity Shares of ₹10/- Each	12,250.00	12,250.00
3,45,00,000 (31st March 2017: 3,45,00,000) Preference Shares of ₹10/- Each	3,450.00	3,450.00
	15,700.00	15,700.00
Issued*		
4,20,58,006 (31st March 2017: 4,20,58,006) Equity Shares of ₹10/- Each Fully paid	4,205.80	4,205.80
Subscribed and Paid-up*		
4,20,58,006 (31st March 2017: 4,20,58,006) Equity Shares of ₹ 10/- Each Fully paid	4,205.80	4,205.80
Total	**4,205.80**	**4,205.80**

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

Equity Shares	31 March 2018		31 March 2017	
	In Numbers	₹ in lakhs	In Numbers	₹ in lakhs
At the beginning of the year	42,058,006	4,205.80	42,058,006	4,205.80
Issued during the year	-	-	-	-
Outstanding at the end of the year	**42,058,006**	**4,205.80**	**42,058,006**	**4,205.80**

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 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 2018, ₹ Nil (31st March 2017: ₹ 1 per share) dividend was proposed for distribution to equity share holders.

In the event of liquidation of the Parent 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.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

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

Name of Shareholder	31 March 2018		31 March 2017	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Zuari Global Limited	8,411,601	20.00	8,411,601	20.00
SIL Investments Limited	872,000	2.07	3,143,000	7.47
Texmaco Infrastructure & Holdings Limited	3,000,125	7.13	3,000,125	7.13
Globalware Trading and Holdings Limited	7,491,750	17.81	7,491,750	17.81
Zuari Management Services Limited	5,078,909	12.08	5,078,909	12.08

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.

* Pursuant to the Scheme of Arrangement and Demerger (" the Scheme") between Zuari Agro Chemicals Limited and Zuari Global Limited, Zuari Agro Chemicals Limited had issued 29,440,604 equity shares of ₹ 10/- each aggregating to ₹ 2944.06 lakhs to the existing shareholders of Zuari Global Limited in the ratio of 1 fully paid up Equity share of ₹ 10/- each of Zuari Agro Chemicals Limited during the financial year ending 31st March, 2013. Out of the above shares issued pursuant to the Scheme, 8,051 (31st March 2017: 8,051) Equity Shares entitlements have been kept in abeyance pursuant to Section 206A of the Companies Act, 1956 in accordance with instructions from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992 and in respect of shareholders who could not exercise their rights in view of disputes, mistakes, discrepancy in holdings, etc.

** Refer Note No. 54 for increase in authorise share capital.

12A. Non Current Borrowings (at amortised cost)

(₹ in Lakhs)

Particulars	Non-Current	
	31 March 2018	31 March 2017
TERM LOANS		
From Banks		
Secured		
Indian rupee loans	32,583.70	36,417.32
Foreign Currency loans	9,958.29	2,383.06
Vehicle Loans	537.07	61.05
Unsecured		
Indian rupee loans	-	1,104.66
Foreign Currency loans	5,696.33	6,012.56
From financial Institutions		
Secured		
Indian Rupee Term loans	18,455.26	20,908.83
Total	**67,230.65**	**66,887.48**
Amount disclosed under the head "other financials liabilities" (Refer Note 14)	(15,201.46)	(17,586.47)
Total	**52,029.19**	**49,301.01**

Notes :

1. (a) Rupee term loan from a Bank of ₹ 11,439.28 lakhs (including Current Maturities of ₹ 5,000.00 lakhs) (31st March, 2017: ₹ 14,881.12 lakhs including Current Maturities ₹ 3,500.00 lakhs) carries interest rate of 10.65 % p.a. The loan is repayable in 14 quarterly instalments starting from December, 2016 with the last instalment due on February' 2020. The loan is secured by first pari passu charge by way of mortgage of immovable assets of the Parent Company located within its fertiliser plant in Goa, (except for assets exclusively charged for other loans) by deposit of title deeds and hypothecation of movable fixed assets at fertiliser plant in Goa (except for assets exclusively charged for other loans).

   (b) Rupee term loan from a Bank of ₹ 3,368.29 lakhs (including Current Maturities of ₹ 3,368.29 lakhs) (31st March, 2017: 7,842.57 lakhs including Current Maturities ₹ 4,500.00 lakhs) carries interest rate of 10.90 % p.a. The loan is repayable in 8 equal quarterly instalments starting from March, 2017 with the last instalment due on December' 2018. The loan is secured by exclusive charge by way of mortgage over land servey no. 132 sub division 1 and land servey no. 133 sub division no. 1 of the parent company situated in village Sancoale in the State of Goa.

(c) Rupee term loan from a Bank of ₹ 8,862.51 lakhs (sanctioned amount ₹10,000.00 lakhs) (including Current Maturities ₹ 2,499.00 lakhs) (31st March, 2017: ₹ 7,453.13 lakhs including Current Maturities: ₹ 820.00 lakhs) carries interest rate of 9.60 % p.a. The loan is repayable in 14 quarterly instalments starting from September, 2017 with the last instalment due on December' 2019. The loan is secured by first pari passu charge by way of mortgage of immovable assets of the Parent Company located within its fertiliser plant in Goa, by deposit of title deeds and hypothecation of movable fixed assets of Goa (except for assets exclusively charged for other loans).

(d) Indian Rupee loan of ₹ 1,264.40 lakhs from Corporation Bank (including current maturities of ₹ 500.00 lakhs) (31st March, 2017: ₹ 1,655.37 including current maturities ₹ 500.00 lakhs), secured by equitable mortgage of land at Mahad & hypothecation of plant, machinery and other movable assets. The loan carries interest rate of 11.40% p.a. and repayable in 24 quarterly instalments commencing from December, 2014.

(e) Indian Rupee loans of Nil (including current maturities of Nil) (31st March 2017: ₹ 20,908.83 lakhs including current maturities of ₹ 4,125.00 lakhs) from HDFC Limited & IL&FS Financial Services Ltd were secured by equitable mortgage of specific unencumbered land parcel (at Zuari Nagar in Goa) owned by the Parent Company, further secured by way of pledge of shares of a subsidiary company, Mangalore Chemicals and Fertilisers Ltd (MCFL). These loan was repayable in 16 quarterly instalments after a moratorium period of one year from the date of first disbursement and carried interest of 12.50% p.a.(effective interest rate 12.75%p.a.).

(f) In case of a subsidiary, rupee term loan of ₹ 2,143.46 Lakhs (March 31, 2017: ₹ 3,415.72 Lakhs) secured by first charge on fixed assets funded through the term loan and first pari-pasu charge on all fixed assets including all immovable and movable properties, both present and future, with other participating working capital lenders. The loan is repayable in 84 equal monthly installments commencing on December 8, 2012. The loan carries interest of 13.75% per annum.

(g) In case of a subsidiary, rupee term loan of ₹ 580.12 Lakhs (March 31, 2017: ₹ 1,169.41 Lakhs) is secured by exclusive first charge on the fixed assets of the project (financed by the term loan) and pari-passu first charge on the entire fixed assets of the subsidiary barring fixed assets financed by term loans from State Bank of India and ING N.V. (Netherland) and fixed assets exclusively charged to other lenders. Repayable in 52 monthly installments commencing on December 2014. The loan carries interest of 11.50% per annum.

(h) In case of a subsidiary, rupee term loan of ₹ 4,925.64 (March 31, 2017: ₹ Nil) secured by first pari-pasu charge on all movable and immovable fixed assets, both present and future, second pari-passu charge on all current assets, both present and future. The loan is repayable in 20 quarterly installment starting from the end of moratorium period 15 months from the date of first disbursement. The loan carries interest at 10.35% p.a.

(i) In case of a subsidiary, rupee term loan of ₹ Nil (March 31, 2017: ₹ 1,104.66 Lakhs including current maturities of ₹ 1,104.66 Lakhs) was secured by pledge of shares by its shareholders. The loan was repayable as per repayment schedule from October 2012 to July 2017. The loan carried interest of 10.50% per annum and has been fully repaid during the year.

2 (a) In case of a subsidiary, foreign currency loan of ₹ 9,958.28 Lakhs (including current maturities of ₹ 499.06 lakhs) (March 31, 2017: ₹ 2,383.06 Lakhs including current maturity of Nil) secured by first pari-pasu charge on all movable and immovable fixed assets (along with working capital lenders), other than fixed assets exclusively charged to term lenders. The loan is repayable in 20 equal quarterly installment starting from the end of moratorium period which is 2 years from the date of disbursement. The loan carries interest of 11.55% per annum.

(b) In case of a subsidiary, foreign currency loan of ₹ 4,113.62 Lakhs (March 31, 2017: ₹ 4,391.36 Lakhs) secured by guarantee issued by Finnvera, the state owned export credit agency of Finland. The loan is repayable in 14 equal installments on April and October of each year. The loan carries interest of 11.24% per annum.

(c) In case of a subsidiary, foreign currency loan of ₹ 1,582.71 Lakhs (March 31, 2017: ₹ 1,621.20 Lakhs) secured by guarantee issued by Eksport Kredit Fonden plc (EKF), the state owned export credit agency of Denmark. The loan is repayable in 14 equal installments on August and February of each year. The loan carries interest of 11.80% per annum.

3. (a) Vehicle loans from bank of ₹ 434.07 lakhs (including Current Maturities ₹ 114.14 lakhs) (31st March, 2017: ₹ 61.05 lakhs including Current Maturities: ₹ 13.56 lakhs) carry interest rate ranging from 8.26%-11.01% p.a. The loans are repayable in 48 equal monthly instalments starting from February, 2017 with the last instalment due on March, 2022. The loans are secured by way of hypothecation of respective motor vehicles of the Parent Company.

(b) In case of a subsidiary, vehicle loans from bank of ₹ 103.00 lakhs (including Current Maturities ₹ 26.28 lakhs) (31st March, 2017: ₹ Nil including Current Maturities: ₹ Nil) carry interest rate ranging of 8.36% p.a. The loans are repayable in 30 to 48 monthly instalments. The loans are secured by way of first pari-pasu charge on the fixed assets financed by the said term loan of the subsidiary company.

4. Indian Rupee loan of ₹ 18,455.26 lakhs from HDFC Limited (including current maturities of ₹ Nil) (31st March, 2017: Nil including current maturities: Nil) carries interest rate of 10.35 % p.a. The loan is repayable in 12 equal quarterly instalments starting from February, 2020 with the last instalment due on November' 2022. The loan is secured equitable mortgage of specific unencumbered land parcel (at Zuari Nagar in Goa) owned by Parent Company, further secured by way of pledge of shares of Mangalore Chemicals and Fertilisers Ltd (MCFL).

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

12B. Current Borrowings

(₹ in Lakhs)

Particulars	Current	
	31 March 2018	31 March 2017
Secured		
From Banks		
a. Cash credit (including working capital demand loans)*		
(The rate of interest on cash credit varies between banks ranging from 9.50% to 13.45% and are repayable on demand, the rate of interest on working capital demand loans varies between 8.85% - 9.50% and are repayable over a period of 60 to 90 days)	74,971.61	44,399.93
b. Buyers credit		
(The rate of Interest on buyers credit varies between 1.83% - 3.10% (31st March 2017: 0.77% - 1.89%) and are repayable over a period of 30 - 180 days)	137,257.11	163,017.63
c. Short term loans		
(i) (7.80% - 8.00% (including 6.25% - 6.84% paid directly by Government of India to the bank) secured against subsidy receivable of equal amount from GOI, Ministry of Chemicals and Fertlizer under Special Banking Arrangement)	40,704.68	58,404.64
d. Bills discounted	65,799.58	21,250.03
(Local bills discounted with banks repayable over a period of 180 days at the rate varies between 7.05% - 8.26% against Letter of Credit issued by another bank having securities as disclosed below.)		
From Financial Institutions		
a. Working Capital demand loan (Refer Note (f) below)	-	1,499.75
Unsecured		
From Banks		
a. Short term loans		
Working capital demand loans	52,500.00	62,500.00
(The rate of Interest on loans varies between 8.25 % - 10.25% and are repayable over a period of 30 to 180 days)		
b. Buyers credit		
(The rate of Interest on buyers credit varies between 2% - 2.205% and has a tenure of up to 6 months)	532.75	-
c. Bill Discounting		
(The rate of interest varies between 7.05% - 7.90% and repayable over a period of 180 days), refer Note (e) below	664.39	914.02
d. Others - Short term loan (refer note (h) below)	982.12	1,003.81
From Others		
a. Inter corporate deposits	10,000.00	10,000.00
(The rate of Interest is 9.25% and is repayable at the end of 12 months from the date of disbursement.)		
Total	**383,412.24**	**362,989.81**

*(a) In respect of the Parent Company, cash credit (including working capital demand loans) of ₹ 66,851.66 lakhs (31st March, 2017: ₹ 30,914.25 lakhs), Buyers credit of ₹ 74,084.14 lakhs (31st March, 2017: ₹ 1,00,619.67 lakhs) and Bill discounting of ₹ 27,645.31 lakhs (31st March, 2017: ₹ 11,762.64 lakhs) are secured by the first charge by way of hypothecation on the current assets (excluding assets against which specific loans have been availed), both present and future, wherever situated pertaining to the fertilizer division of the Parent Company and the Parent Company's fertilizer division's present and future book debts outstanding, moneys receivable, claims, bills, contracts, engagements, rights and assets excluding some subsidy receivable amount exclusively charged to certain banks.

(b) In respect of the Parent Company, cash credit of ₹ 4,560.56 lakhs (31st March,2017: ₹ 4,828.73 lakhs) are secured by equitable mortgage of land, hypothecation of stock in trade, book debts, plant and machinery and vehicles, both present and future of one of the divisions of the Parent Company.

(c) In respect of the Parent Company, cash credit of ₹ 1,271.21 lakhs (31st March, 2017: ₹ 1,225.58 lakhs) from Corporation Bank is secured by hypothecation of inventory cum book debts and all current assets of one of the divisions of the Parent Company.

(d) In respect of the Parent Company Cash credit of ₹ 1,692.14 lakhs from Canara Bank (31st March, 2017: ₹ 1,695.67 lakhs) are secured by hypothecation of inventories and book debts of one of the divisions of the Parent Company.

(e) In respect of the Parent Company, a bill discounting facility of ₹ 664.39 lakhs (31st March, 2017: ₹ 914.02 lakhs) has been availed during the year. The facility availed has a maturity of 3 months and rate of discounting 7.05% to 7.90% p.a.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018
(Amount in ₹ lakhs, unless otherwise stated)

(f) In respect of the Parent Company, a Working Capital demand loan of ₹ Nil (31st March, 2017: ₹ 1,499.75 lakhs) was secured pari-passu basis, all present and future current assets including book debts, claims and bills outstanding receivables, stock in trade and movable assets of one of the divisions of the Parent Company. Loan carries Rate of Interest @11% p.a.

(g) In respect of a subsidiary, buyers credit facilities of ₹ 63,172.97 lakhs (31st March, 2017 ₹ 62,397.96 lakhs), bill discounting of ₹ 38,154.27 lakhs (31st March, 2017 ₹ 9,487.39 lakhs), cash credit (including demand loans) of ₹ 596.04 lakhs (31st March, 2017 ₹ 5,735.70 lakhs) are secured by first pari-passu charge on all current assets (both present and future) and property, plant and equipment of the Company, excluding assets which are exclusively charged to other lenders.

(h) In respect of a subsidiary, a purchase card facility of ₹ 982.12 lakhs (31st March, 2017 ₹ 1,003.81 lakhs) has been availed from Axis Bank. The facility carries interest in the range of 9.23% to 9.35% p.a.

13. Trade payables

(₹ in lakhs)

Particulars	Non current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Trade payables (Including acceptance)				
- Outstanding dues to related parties (Refer Note 34)	-	-	10,825.06	9,237.48
- Outstanding dues to micro and small enterprises (Refer Note 30)	-	-	254.60	218.28
- Outstanding dues to others	-	-	139,947.08	98,403.37
TOTAL	**-**	**-**	**151,026.74**	**107,859.13**

14. Other Financial Liabilities

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Financial liabilities at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward covers	461.87	1,639.10	296.62	7,766.23
Total financial liabilities at fair value through profit or loss (a)	**461.87**	**1,639.10**	**296.62**	**7,766.23**
Other financial liabilities at amortised cost				
Current maturities of long term borrowings (Refer Note no. 12A)	-	-	15,201.46	17,586.47
Trade deposits - dealers and others-related party (Refer note 34)	-	-	0.50	0.50
Trade deposits - dealers and others-other than related party	-	-	12,203.06	11,435.89
Employee benefits payable	-	-	1,687.91	1,402.81
Payable towards capital goods- related parties (Refer note 34)	-	-	89.13	11.52
Payable towards capital goods- other than related parties *	-	-	1,130.01	755.91
Interest accrued but not due on borrowings	-	-	1,427.91	1,373.92
Other interest payable**	-	-	874.23	178.91
Unclaimed dividends	-	-	272.98	398.15
Payable towards voluntary retirement scheme	79.97	106.37	31.65	61.96
Other Dues	**-**	**-**	**514.74**	**940.94**
Total other financial liabilities at amortised cost (b)	**79.97**	**106.37**	**33,433.58**	**34,146.98**
Total other financial liabilities (a+b)	**541.84**	**1,745.47**	**33,730.20**	**41,913.21**

* Including ₹ 9.93 lakhs (31st March 2017: ₹ 27.85 lakhs) outstanding due to Micro and Small Enterprises (Refer Note 30).

** Including ₹ 133.90 lakhs (31st March 2017: ₹ 90.02 lakhs) outstanding due to Micro and Small Enterprises (Refer Note 30).

Terms and conditions of the above financial liabilities:

Trade payables are normally non-interest bearing. For maturity profile of trade payables and other financial liabilities, Refer Note 38.

For explanations on the Group's credit risk management processes, Refer Note 38.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018
(Amount in ₹ lakhs, unless otherwise stated)

15. Other Liabilities

(₹ in lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Statutory Liabilities	-	-	1,191.53	5,144.00
Advances received from customers and others	-	-	16,970.38	10,765.06
Deferred income (Refer Note 44)	102.34	119.40	17.05	17.05
Total	**102.34**	**119.40**	**18,178.96**	**15,926.11**

16. Provisions

(₹ in lakhs)

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Provision for employee benefits				
Gratuity (Refer note 32)	1,488.00	1,509.77	16.85	5.94
Provision for post retirement medical benefit (Refer note 32)	48.94	45.31	5.84	5.23
Leave encashment (unfunded)	-	-	3,159.57	3,355.51
	1,536.94	**1,555.08**	**3,182.26**	**3,366.68**
Others provisions				
Provision for sales return*		-	95.95	105.79
	-	**-**	**95.95**	**105.79**
Total	**1,536.94**	**1,555.08**	**3,278.21**	**3,472.47**

* The Company expects sales return out of sales made during the current year and has created provision towards loss on such expected sales returns. The movement of such provision is as follows:

(₹ in lakhs)

Movement in provisions	31 March 2018	31 March 2017
Opening	105.79	-
Addition	95.95	105.79
Reversal/ Utilization	105.79	-
Closing	95.95	**105.79**

17. Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

Profit or loss section

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Current income tax:		
Current income tax charge	3,566.29	680.00
Deferred tax:		
MAT Credit Entitlement	(3,566.29)	(680.00)
Adjustments in respect of deferred tax of earlier years	(1,603.97)	-
Relating to origination and reversal of temporary differences	3,929.63	(868.35)
Income tax expense/ (income) reported in the statement of profit or loss	**2,325.66**	**(868.35)**

OCI section

Deferred tax related to items recognised in OCI during the year:

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Net loss/(gain) on remeasurements of defined benefit plans	(39.40)	(163.23)
Deferred tax charged/(credit) to OCI	13.77	56.49

Total

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Total current income tax charge	(3,566.29)	(680.00)
Deferred tax Expense/ (Income)	2,325.66	(868.35)
Amount disclosed under deferred tax	**(1,240.63)**	**(1,548.35)**

Reconciliation of tax expense/ (income) and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Accounting profit/(loss) before Income tax	18,069.87	(2,152.55)
	34.608%	34.608%
Tax at the applicable tax rate of 34.608%	6,253.62	(744.96)
Adjustment in respect of tax related to earlier years	(1,603.97)	-
Tax impact of Share of profit of joint ventures	(2,024.15)	(1,125.38)
Tax effect of income that are not taxable in determining taxable profit:		
Wealth Tax Reversal	(14.73)	-
Deduction u/s 32AC of Income Tax Act, 1961	-	(116.39)
Impact of profit on non tax jurisdiction	(81.18)	-
Deferred tax credit on non-depreciable assets	(1,160.59)	(1.32)
Tax effect of expenses those are not deductible in determining taxable profit:		
Interest on Micro and Small Enterprises	15.01	21.39
Charitable donations	-	0.35
Disallowance under Section 14A	761.26	907.68
Others Adjustments	171.13	190.28
Impact of change in tax rate, Deferred tax calculated March 31, 2018:34.94% (March 31, 2016: 34.61%)	9.26	-
Tax expense	**2,325.66**	**(868.35)**

Deferred tax:

(₹ in lakhs)

Particulars	As at 31 March 2016	Provided during the year	As at 31 March 2017	Provided during the year	As at 31 March 2018
Deferred tax liability:					
Property, Plant and Equipment impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	25,772.62	(319.77)	25,452.85	(1,580.92)	23,871.93
Others	427.08	(78.54)	348.54	(81.36)	267.18
Total deferred tax liability (A)	**26,199.70**	**(398.31)**	**25,801.39**	**(1,662.28)**	**24,139.11**
Deferred tax assets:					
Provision for doubtful debts and advances	167.75	26.98	194.73	779.62	974.35
MAT credit entitlement	4,768.00	680.00	5,448.00	3,566.29	9,014.29
Expenses allowable in Income tax on payment basis and deposition of Statutory dues	1,621.98	769.47	2,391.45	(118.00)	2,273.45
Brought forward losses and unabsorbed depreciation	23,558.22	378.22	23,936.44	(4,631.53)	19,304.91
Others	1,235.38	(761.12)	474.26	(31.80)	442.46
Total deferred tax assets (B)	**31,351.33**	**1,093.55**	**32,444.88**	**(435.42)**	**32,009.46**
Deferred Tax (Asset)/Liability (A - B)	**(5,151.63)**	**(1,491.86)**	**(6,643.49)**	**(1,226.86)**	**(7,870.35)**
Disclosed in the Financial Statements					
Deferred Tax Assets			8,310.67		9,208.20
Deferred Tax Liabilities			1,667.18		1,337.85

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

The Group has till date recognised ₹ 9,014.29 lakhs (March 31, 2017 ₹ 5,448.00 lakhs) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Group to utilize the above MAT credit entitlement.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

The Group has till date recognised ₹ 19,304.91 lakhs (March 31, 2017 ₹ 23,936.44 lakhs) as deferred tax assets on unabsorbed depreciation and carried forward tax loss, which the management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Group to utilize the above deferred tax assets.

17A. Income Tax Assets (net)

(₹ In lakhs)

Particulars	31 March 2018	31 March 2017
Income tax assets- related parties (Refer Note. 34 & 50)	2,533.85	2,533.85
Income tax assets- others	2,688.24	4,187.06
Total	**5,222.09**	**6,720.91**

18. Revenue From Operations

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Sale of products* (including excise duty)		
Finished products	494,782.58	437,310.65
Traded products	231,845.90	202,934.33
Other operating revenues		
Rendering of Services	68.26	55.94
Scrap sales	388.83	381.51
Revenue from operations	**727,085.57**	**640,682.43**

a. (i) Sales of Finished Product and Traded Products include government subsidies. Subsidies include ₹ 2793.95 lakhs (31st March 2017: ₹ 2705.01 lakhs) (including ₹ 2068.68 lakhs, 31st March 2017 ₹ 2309.77 lakhs disclosed in Note a (ii) below) in respect of earlier years, notified during the year.

(ii) A subsidiary recognises urea concession income from the Government of India (GOI) based on estimates and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme. Accordingly, sales of products for the year include differential urea concession income of ₹ 2,068.68 Lakhs (Previous year: ₹ 2,309.77 Lakhs) relating to immediately preceding financial year recognised on finalisation of escalation/de-escalation claim.

b. Subsidy for Urea has been accounted based on notified concession price under New Urea Policy 2015, and other adjustments as estimated in accordance with known policy parameters in this regard.

c. Government of India has notified the pooling of Gas in Fertiliser (Urea) sector effective from June 2015. As per the notification domestic Gas is pooled with Re-gasified Liquefied Natural Gas (RLNG) to provide natural Gas at uniform delivered price to all Natural Gas Grid connected Urea manufacturing plants.

d. The subsidy on Phosphatic and Pottasic fertilizers has been accounted for as per concession price notified by the Government of India under Nutrient Based Subsidy Policy, from time to time.

19. Other income

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Other income		
Interest Income on		
Bank deposits	258.31	0.31
Intercorporate loans	89.85	360.00
Overdue debtors, employee loans etc.	5,992.26	4,466.73
Income tax refund	15.76	41.44
Dividend Income on Non-Current investments (Non-trade)	2.16	-

	Year Ended 31 March 2018	Year Ended 31 March 2017
Rent received	101.22	97.51
Service Income - staff deployment and other supports	-	483.58
Excess provision/unclaimed liabilities/unclaimed balances written back	387.92	108.98
Incentive under PSI scheme	17.05	17.05
Profit on sale of current investments	-	3.80
Insurance Claim	380.42	1.07
Miscellaneous income	1,468.81	54.65
Total	**8,713.76**	**5,635.12**

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss.

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
In relation to Financial assets classified at amortised cost	6,340.43	4,827.04
In relation to Financial assets classified at FVOCI	-	-
Total	**6,340.43**	**4,827.04**

20. Cost of raw materials consumed

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Inventory at the beginning of the year	30,752.78	29,959.07
Add : Purchases	349,460.34	299,348.19
Add: Transfer of Stock for captive consumption	-	832.18
	380,213.12	**330,139.44**
Less: Transferred to trading stock	(1,242.43)	(512.27)
Less: Inventory at the end of the year	(31,455.11)	(30,752.78)
Cost of materials consumed	**347,515.58**	**298,874.39**

20.(a) Purchase of Traded Goods

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Traded goods purchase details		
DAP	85,397.27	71,829.77
MOP	85,605.83	43,506.86
SSP	32.91	52.55
Urea	3,546.88	4,780.96
Speciality Fertilisers	12,085.64	15,516.20
Complex Fertilisers	3,094.46	6,590.35
Pesticides	11,247.77	13,807.97
Seeds	155.59	611.38
Others	3,337.46	173.57
Add: Transfer from materials purchased	1,242.43	512.27
Cost of traded goods purchased	**205,746.24**	**157,381.88**

Notes to consolidated financial Statements as at and for the year ended 31 March 2018
(Amount in ₹ lakhs, unless otherwise stated)

21. Changes in inventories of finished goods, traded goods and work-in- progress

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Inventories at the end of the year		
Finished goods	24,470.45	10,571.63
Traded goods	36,540.46	16,842.54
Work-in-progress	4,058.92	3,085.72
	65,069.83	**30,499.89**
Inventories at the beginning of the year		
Finished goods	10,571.63	6,479.51
Traded goods	16,842.54	22,922.27
Work-in-progress	3,085.72	3,132.60
Less : Captive consumption	-	(832.18)
	30,499.89	**31,702.20**
	(34,569.94)	**1,202.31**

22. Excise Duty on goods

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Excise duty on goods	608.17	2,997.25
Total	**608.17**	**2,997.25**

23. Employee Benefits Expense

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Salaries, wages and bonus	13,039.26	13,102.61
Contribution to provident and other funds (Refer note 32)	1,005.44	951.45
Post-retirement medical benefit (Refer note 32)	4.24	10.62
Gratuity (Refer note 32)	335.76	338.28
Staff welfare expenses	1,925.79	1,648.29
Total	**16,310.49**	**16,051.25**

24. Finance Costs

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Interest expense	31,958.70	31,180.36
Interest on Income Tax	119.46	216.37
Exchange difference to the extent considered as an adjustment to borrowing cost	5,343.34	7,398.15
Bank charges	2,936.85	5,158.88
Total	**40,358.35**	**43,953.76**

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
In relation to Financial liabilities classified at amortised cost	31,958.70	31,180.36
Total	**31,958.70**	**31,180.36**

Notes to consolidated financial Statements as at and for the year ended 31 March 2018
(Amount in ₹ lakhs, unless otherwise stated)

25. Depreciation and amortization expense

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Depreciation of property, plant and equipment	7,810.58	7,314.67
Amortisation of intangible assets	442.19	418.79
Total	**8,252.77**	**7,733.46**

26. Other expenses

(₹ in lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Stores and spares consumed	2,678.20	1,866.45
Power, fuel and water	49,038.65	38,612.08
Bagging and other contracting charges	3,446.29	3,131.80
Outward freight and handling	58,809.28	48,530.57
Rent	2,728.35	3,679.35
Lease rentals	260.77	444.07
Rates and taxes	117.84	133.40
Insurance	925.50	1,255.85
Repairs and maintenance		
Plant & machinery	5,891.28	6,324.38
Buildings	778.49	468.35
Others	1,097.40	1,144.63
Payment to statutory auditors (Refer details below)	196.00	229.34
Royalty on sales (net)	14.70	53.90
Provision for doubtful receivable/advances	832.28	77.95
Provision for GST refund receivable	161.30	-
Research and development expenses (Refer details below)	83.06	65.64
Subsidy claims written off	138.90	185.29
Foreign exchange variation (net)	2,526.02	2,040.96
Loss on disposal of property, plant and equipment (net)	735.76	115.66
Donation	-	31.00
CSR expenditure	61.96	103.30
Advances write-off	173.01	216.26
Miscellaneous expenses	7,268.01	8,384.31
Total	**137,963.05**	**117,094.54**
Payments to statutory auditors as		
As statutory auditors*		
Audit fees	53.73	57.14
Tax audit fee	16.11	8.76
Limited review fees	15.75	10.69
In other capacity		
Right Issue certification	-	65.06
Certification fees, etc.	102.80	82.71
Reimbursement of expenses	7.61	4.98
Total	**196.00**	**229.34**

* Excluding ₹ 41.85 Lakhs (31st March, 2017 : Nil) towards QIP related services, included under pre-paid expenses in the financial statements.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

CSR Expenditure:

Gross amount required to be spent by the Group during the year (under Section 135 of the Companies Act, 2013)	16.51	43.20
Amount spent during the year (other than on construction/ acquisition of any asset)	61.96	94.81
Amount spent during the year (on construction/ acquisition of any asset)	-	-
Amount yet to be spent/ paid	-	8.49
Total	61.96	103.30

The details of Research & Development Expenses are given below:

	Year Ended 31 March 2018	Year Ended 31 March 2017
Repairs and Maintenance- Plant and Machinery	1.07	1.29
Farm Maintenance	39.27	34.46
Testing expenses	31.30	14.39
Consumables	4.09	3.59
Miscellaneous expenses	7.33	11.91
Total	**83.06**	**65.64**

Note: No capital Expenditure have been incurred on research and development during the year.

27. Distributions made and Proposed

(₹ in lakhs)

	31 March 2018	31 March 2017
Cash dividends on Equity shares declared and paid:		
Final equity dividends: In respect of the Parent Company ₹ 1 per equity share (31st March 2017: Nil per equity share)	698.94	-
Tax on equity dividend	206.25	-
	905.19	**-**
Proposed dividends on Equity shares:		
Proposed final equity dividends: ₹ 1/- per equity share (31st March, 2017: ₹ 1/- Per Equity Share)	556.72	698.94
Tax on proposed equity dividend	243.61	206.25
	800.33	**905.19**

Proposed dividend on equity shares declared on 19 May 2017 was approved at the annual general meeting and was not recognised as a liability in last year (including DDT thereon) as at 31 March 2017.

In current year the proposed dividend on equity shares is in respect of non-controlling interest holders of one of the subsidiary company of the Group. The tax on proposed equity dividend is on the entire proposed dividend by the subsidiary company.

28. Earnings Per Share (EPS)

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

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

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Profit/(loss) after taxation as per statement of Profit and Loss (Rs in lakhs)	12,898.37	(2,196.21)
Weighted average number of shares used in computing earnings per share	42,058,006	42,058,006
Earnings per share – Basic and diluted (in ₹) (annualised)	30.67	(5.22)
Face value per share (in₹)	10.00	10.00

29. Exceptional Items:

(₹ In Lakhs)

	Year Ended 31 March 2018	Year Ended 31 March 2017
Provision made towards rebates/price reduction claims (Refer Note (a) below)	-	6,433.04
Provision for doubtful advances (Refer Note (b) below)	1,393.54	-
	1,393.54	**6,433.04**

(a) Exceptional items for the year ended 31 March 2017 represent provision made towards rebates/ price reduction claims on stock lying with distribution channel pertains to earlier year's sale.

(b) Exceptional items for the year ended 31 March 2018 represent provision made against Inter Corporate Deposits including interest accrued thereon. (Refer note 53)

30. Dues to Micro, Small and Medium Enterprises

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

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
The principal amount and the interest due thereon remaining unpaid to any supplier:		
- Principal amount	264.53	246.13
- Interest thereon	43.88	61.80
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
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
The amount of interest accrued and remaining unpaid	133.90	90.02
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	0.52	Nil

31. Group Information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries and joint ventures, listed in the table below:

Name of Subsidiary Company	Country of Incorporation	Ownership Interest (%)	
		As at 31 March 2018	As at 31 March 2017
Mangalore Chemicals and Fertilizers Limited	India	53.03%	53.03%
Adventz Trading DMCC (w.e.f. 07 Dec 2016)	United Arab Emirates	100.00%	-

Name of Joint Ventures	Country of Incorporation	Ownership Interest (%)	
		As at 31 March 2018	As at 31 March 2017
Zuari Maroc Phosphates Private Limited (ZMPPL) (including its 80.45% subsidiary - Paradeep Phosphates Limited)	India	50.00%	50.00%
MCA Phosphates Pte Limited (MCAP) (including its associate Fosfatos del Pacifico S.A.)	Singapore	30.00%	30.00%

Financial Statements of MCA Phosphates Pte. Limited for the year ended 31 March 2018 are unaudited. Also, financial statements of its associate Fosfatos del Pacifico S.A. have been derived by deducting three months period ended 31 March 2017 and adding three months period ended 31 March 2018 to the figures of audited financial statements for the year ended 31 December 2017.

For Financial Statements for the year ended 31 March 2017 of Fosfatos del Pacifico S.A., financial statements have been derived by deducting three months period ended 31 March 2016 and adding three months period ended 31 March 2017 to the figures of audited financial statements for the year ended 31 December 2016.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

31. A. Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	31 March 2018	31 March 2017
Mangalore Chemicals and Fertilisers Limited	India	46.97%	46.97%

Information regarding non-controlling interest

Mangalore Chemicals and Fertilisers Limited

	31 March 2018	31 March 2017
	(₹ in lakhs)	(₹ in lakhs)
Accumulated balances of material non-controlling interest:	39,002.91	36,442.93
Total Comprehensive Income/ (loss) allocated to material non-controlling interest:	2,838.34	917.01
Dividend distributed and paid to non-controlling interest	(278.36)	-

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter - company eliminations.

Summarised statement of profit and loss for the year ended March 31, 2018 and March 31, 2017

	31 March 2018	31 March 2017
	₹ in lakhs	₹ in lakhs
Revenue	270,475.03	250,226.15
Cost of raw material and components consumed	127,168.92	111,331.89
Purchases of Stock in trade	72,396.40	67,703.13
Change in inventories of finished goods, work-in-progress and stock-in-trade	(11,390.39)	(746.45)
Other expenses	65,753.10	57,296.41
Finance costs	9,042.30	11,629.25
Profit before tax	**7,504.70**	**3,011.92**
Income tax	1,446.44	1,070.45
	31 March 2018	**31 March 2017**
	₹ in lakhs	₹ in lakhs
Profit for the year	**6,058.26**	**1,941.47**
Other Comprehensive income/(loss) for the year	(15.96)	10.64
Total comprehensive income/(loss)	**6,042.30**	**1,952.11**
Attributable to non-controlling interests	2,838.34	917.01
Dividends paid to non-controlling interests	(278.36)	-

Summarised balance sheet as at March 31, 2018 and March 31, 2017

	31 March 2018	31 March 2017
	₹ in lakhs	₹ in lakhs
Inventories and cash and cash equivalents	50,954.90	31,871.08
Property, plant and equipment, other non-current financial assets and other non-current assets	65,288.81	64,829.34
Trade Receivable and other current assets	137,340.27	126,994.05
Trade and other payable	(69,624.33)	(60,323.45)
Non Current liabilities	(1,944.62)	(3,148.87)
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	(134,282.45)	(117,818.66)
Total equity	**47,732.58**	**42,403.49**
Attributable to:		
Non-controlling interest *	39,002.91	36,442.93

*Includes impact of fair valuation at the time of acquisition of controlling stake in May 2015.

Summarised Cash Flow information as at March 31, 2018 and March 31, 2017

As per books of accounts of Mangalore Chemicals and Fertilisers Limited

	31 March 2018	31 March 2017
	₹ in lakhs	₹ in lakhs
Operating	3,902.55	33,746.42
Investing	(3,954.51)	(1,266.35)
financing	5,423.68	(26,986.94)
Net increase/(decrease) in cash and cash equivalents	**5,371.72**	**5,493.13**

31. B. Interest in Joint Ventures

a) Zuari Maroc Phosphate Private Limited

The Group has a 50% interest in Zuari Maroc Phosphate Private Limited, a joint venture engaged in the business as an investment company and to acquire and hold and otherwise deal in shares, stocks, debentures . The Group's interest in Zuari Maroc Phosphates Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet as at March 31, 2018:

	31 March 2018	31 March 2017
	₹ in lakhs	**₹ in lakhs**
Current assets, including cash and cash equivalents ₹ 2,407.84 lakhs (March 31 2017: ₹ 1,536.55 lakhs)	284,959.17	336,675.93
Non-current assets, including advance tax ₹ 3,821.13 lakhs (31 March 2017: ₹ 3,169.22 lakhs)	164,523.11	162,341.02
Current liabilities	(243,569.07)	(301,917.63)
Non Controlling Interest	(27,278.01)	(24,362.00)
Non-current liabilities, including borrowing ₹ 28,810.77 lakhs (31 March 2017: ₹ 34,655.73 lakhs)	(30,046.65)	(36,121.85)
Equity	**148,588.55**	**136,615.46**
Proportion of the Group's ownership	50%	50%
Carrying amount of the investment	74,294.28	68,307.74

Summarised statement of profit and loss of Zuari Maroc Phosphates Private Limited:

	For the year ended 31 March 2018 ₹ in lakhs	For the year ended 31 March 2017 ₹ in lakhs
Revenue	381,684.23	374,952.96
Cost of raw materials consumed	(238,218.98)	(221,955.55)
Purchases of Stock in trade	(20,568.69)	(28,093.31)
Changes in inventories of finished goods, stock-in-trade and work in progress	(1,754.28)	757.71
Excise duty on sale of goods	(861.37)	(2,923.77)
Depreciation & amortization	(6,182.42)	(5,830.26)
Finance cost	(15,923.32)	(24,200.49)
Employee benefit	(11,892.49)	(11,305.62)
Other expense	(58,571.94)	(62,218.70)
Profit before Exceptional items & tax	**27,710.74**	**19,182.97**
Exceptional Items	(5,386.44)	(6,092.07)
Profit before tax	**22,324.20**	**13,090.90**
Income tax expense	(7,293.85)	(4,428.71)
Profit for the year	**15,030.45**	**8,662.19**
Other Comprehensive Income	(141.34)	227.79
Total comprehensive income for the year (continuing operations)	**14,889.11**	**8,889.98**
Share of Non controlling interest in Total comprehensive income	2,916.01	1,743.52
Total comprehensive income	**11,973.10**	**7,146.46**
Proportion of the Group's ownership	50%	50%
Group's share of Total Comprehensive Income for the year	**5,986.54**	**3,573.23**

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

Contingent Liabilities & Capital Commitments*

	31 March 2018 ₹ in lakhs	31 March 2017 ₹ in lakhs
Claims/demand raised by Government Authorities**		
a. Claims/demand raised by Income Tax Authorities	3,963.53	3,285.29
b. Claims/demand raised by Sales Tax Authorities	9,329.55	10,825.10
Other Claims against the Company not acknowledged as debts**	4,728.82	5,069.46
Estimated amount of contracts remaining to be executed on capital	906.88	7,557.99

* Being share of the Group in the Joint Company.

**Based on discussions with the solicitors / favourable decisions in similar cases / legal opinions taken by the Group, the Management believes that the Group has a good chance of success in the above mentioned cases and hence, no provision there against is considered necessary. The above has been compiled based on the information and records available with the Group.

b) MCA Phosphates Pte. Limited

The Group has a 30% interest in MCA Phosphates Pte. Limited having country of incorporation as Singapore, which is Joint venture of the Parent Company with Mitsubishi Corporation to acquire Fosfatos del pacifico S.A. (FOSPAC), which is engaged in the exploration & manufacture of rock phosphates. MCA Phosphates Pte. Limited is a private entity that is not listed on any public exchange. The Group's interest in MCA Phosphates Pte. Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in MCA Phosphates Pte.Limited:

Summarised balance sheet as at March 31, 2018:

	31 March 2018 ₹ in lakhs	31 March 2017 ₹ in lakhs
Current assets, including cash and cash equivalents ₹ 95.80 lakhs (March 31 2017: ₹ 177.66 lakhs)	97.76	179.60
Non-current assets	38,923.26	39,291.60
	31 March 2018 ₹ in lakhs	**31 March 2017 ₹ in lakhs**
Current liabilities	(39.75)	(42.15)
Equity	**38,981.27**	**39,429.05**
Proportion of the Group's ownership	30%	30%
Carrying amount of the investment	11,694.38	11,828.71

Summarised statement of profit and loss of MCA Phosphates Pte. Limited:

	For the year ended 31 March 2018 ₹ in lakhs	For the year ended 31 March 2017 ₹ in lakhs
Revenue	-	-
Operating expenses	(80.16)	(132.17)
Share of loss of associate	(570.22)	(633.87)
Profit/(loss) before tax	**(650.38)**	**(766.04)**
Income tax expense	-	-
Profit/(loss) for the year	(650.38)	(766.04)
Other Comprehensive Income/(loss)	202.64	(905.05)
Total comprehensive income/(loss) for the year	**(447.74)**	**(1,671.09)**
	30%	30%
Group's share of Total Comprehensive Income for the year	**(134.33)**	**(501.33)**

32. Gratuity and other post-employment benefit plans

₹ in lakhs

Particulars	31 March 2018	31 March 2017
- Gratuity Plan- Asset/ (Liability)*	(1,447.80)	(1,491.72)
- Provident Fund -Asset**	240.62	227.92
- Post Retirement Medical Benefit Plan - (Liability)	(54.79)	(50.56)
Total	**(1,261.97)**	**(1,314.36)**

* Plan assets of ₹ 57.05 lakhs (March 31, 2017: ₹ 23.99 lakhs) have been recognised in other assets in respect of the Parent Company. In respect of a foreign subsidiary company defined benefit obligation of ₹ 5.25 lakhs (March 31, 2017: Nil) is not funded.

** Plan assets of ₹ 240.62 lakhs (March 31, 2017: ₹ 227.92 lakhs) have not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

a) Gratuity

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 and a subsidiary company, the scheme is funded with an insurance company in the form of a qualifying insurance policy.

b) Provident Fund

As per Ind-AS 19, Employee Benefits, 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 year, actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuary Society of India.

c) Post Retirement Medical Benefit Plan

The Parent Company has a defined benefit post retirement medical benefit plan, for its employees. The Parent Company provides medical benefit to those employees who leave the services of the Parent Company on retirement. As per the plan, retired employee and the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. In case of death of retired employee, the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. The plan is not funded by the Parent Company.

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

Net employee benefits expense (recognized in Employee Cost) for the year ended 31st March 2018

(₹ in Lakhs)

Particulars	Gratuity	
	2017-18	2016-17
Current Service Cost	225.23	221.92
Past Service Cost	-	-
Net Interest Cost	143.14	153.98
Expected return on plan assets	(32.61)	(37.62)
Total	**335.76**	**338.28**

(₹ in Lakhs)

Particulars	Post retirement Medical Benefit Plan	
	2017-18	2016-17
Current Service Cost	-	-
Past Service Cost	-	-
Net Interest Cost	4.23	10.62
Total	**4.23**	**10.62**

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

Amount recognised in Other Comprehensive Income for the year ended 31st March 2018 **(₹ in Lakhs)**

Particulars	Gratuity	
	2017-18	**2016-17**
Actuarial (gain)/ loss on obligations	8.17	(6.50)
Return on plan assets (excluding amounts included in net interest expense)	9.33	(65.66)
Experience Variance (i.e. actual experience vs assumptions)	(56.90)	1.88
Total	(39.40)	**(70.28)**

(₹ in Lakhs)

Particulars	Post retirement Medical Benefit Plan	
	2017-18	**2016-17**
Actuarial (gain)/ loss on obligations	-	(92.95)
Total	**-**	**(92.95)**

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2018 are as follows:

Gratuity: **(₹ in Lakhs)**

Particulars	2017-18	2016-17
Opening defined obligation	4,145.73	**4,251.71**
Current service cost	225.23	221.92
Interest cost	308.55	332.28
Re-measurement (or Actuarial) (gain) / loss arising from :	-	-
- change in demographic assumptions	0.08	7.37
- change in financial assumptions	(17.52)	47.27
- experience variance (i.e. Actual experiences) assumptions)	(56.90)	(45.90)
Benefits paid	(630.52)	(619.67)
Net transfer liability	(28.82)	(27.72)
Actuarial (gains) / losses on obligation	25.61	(15.25)
Particulars	**2017-18**	**2016-17**
Acquisition adjustment	-	(6.29)
Past service cost	-	-
Defined benefit obligation	**3,971.44**	**4,145.73**

Provident Fund: **(₹ in Lakhs)**

Particulars	2017-18	2016-17
Opening defined obligation	11,521.58	11,832.62
Current service cost	224.20	227.87
Interest cost	971.09	1,009.25
Contributions by Employee / plan participants	622.67	614.30
Benefits Paid out of funds	(1,257.24)	(2,341.85)
Actuarial (gain)/ loss on obligations	13.92	12.57
Settlements / transfer in	21.59	166.82
Defined benefit obligation	**12,117.81**	**11,521.58**

Post retirement Medical Benefit Plan: (₹ in Lakhs)

Particulars	2017-18	2016-17
Opening defined obligation	50.56	132.89
Past service cost	-	-
Interest cost	4.23	10.62
Actuarial (gain)/ loss on obligations	-	(92.95)
Defined benefit obligation	**54.79**	**50.56**

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

Gratuity: (₹ in Lakhs)

Particulars	2017-18	2016-17
Fair value of plan assets	2,654.01	2,776.90
Interest income	165.41	178.30
Return on plan assets (excluding amounts included in net interest expense) - OCI	22.20	97.89
Contribution by Employer	288.43	215.36
Benefits paid	(602.24)	(619.83)
Actuarial gain/(loss)	1.08	5.39
Closing fair value of plan assets	**2,528.89**	**2,654.01**

The Group expects to contribute ₹ 83.47 lakh (March 31, 2017 : 8.26 lakh) to gratuity fund in the financial year 2018-19.

Provident Fund: (₹ in Lakhs)

Particulars	2017-18	2016-17
Opening fair value of plan assets	11,749.50	12,049.03
Interest income	916.46	939.82
Return on plan assets (excluding amounts included in net interest expense) - OCI	63.20	71.85
Employer Contribution	224.20	227.87
Plan participants/ Employee contribution	622.67	614.30
Benefits paid	(1,257.24)	(2,341.85)
Settlements / Transfer in	39.62	188.48
Closing fair value of plan assets	**12,358.43**	**11,749.51**

The Company expects to Contribute ₹ 246.62 lakhs (March 31, 2017 : ₹ 250.65 lakhs) to provident fund trust in the financial year 2018-19.

Gratuity (₹ in Lakhs)

Particulars	2017-18	2016-17
Investment with insurer (Life Insurance Corporation of India)	2,528.89	2,654.01

Provident Fund (Managed Through Trust) (₹ in Lakhs)

Particulars	2017-18	2016-17
Self managed investments	12,358.43	11,749.51

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.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018
(Amount in ₹ lakhs, unless otherwise stated)

Investment pattern in plan assets:

Particulars	Gratuity		Provident fund	
	2017-18	2016-17	2017-18	2016-17
Funds managed by insurance companies	100%	100%	100%	100%

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

Particulars	Gratuity		Provident Fund		Post retirement Medical Benefit Plan	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate (in %)	7.75%	7.50%	7.75%	7.50%	7.75%	7.50%
Salary Escalation (in %)	9% for first 2 years and 7.5% thereafter	9% for first 2 years and 7.5% thereafter	-	-	-	-
Mortality Rate (in %)	100%	100%	100%	100%	100%	100%
Withdrawal rate (per annum)	1%-3%	1%-3%	1%-3%	1%-3%	-	-

A quantitative sensitivity analysis for significant assumption for the Group as at 31 March 2018 is as shown below:

Gratuity Plan

Assumptions	31 March 2018		31 March 2018		31 March 2018		31 March 2018	
	Discount rate		Future salary increases		Attrition rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	3,798.16	4,164.88	4,158.91	3,799.95	3,972.06	3,970.56	3,971.57	3,971.32

Assumptions	31 March 2017		31 March 2017		31 March 2017		31 March 2017	
	Discount rate		Future salary increases		Attrition rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	3,875.88	4,254.97	4,245.48	3,875.23	4,032.76	4,037.13	4,034.48	4,034.51

A quantitative sensitivity analysis for significant assumption for the Group as at 31 March 2018 is as shown below:

Provident Fund

Assumptions	31 March 2018	
	Interest Rate Guarantee	
Sensitivity Level	1% increase	1% decrease
	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	12,668.06	12,083.29

Assumptions	31 March 2017	
	Interest Rate Guarantee	
Sensitivity Level	1% increase	1% decrease
	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	12,050.52	11,494.21

Post retirement Medical Benefit Plan

Assumptions	31 March 2018		31 March 2018	
	Discount rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	51.59	58.20	53.26	56.33

Assumptions	31 March 2017		31 March 2017	
	Discount rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Impact on defined benefit obligation	47.64	53.66	49.11	52.00

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

Maturity Profile of Defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):

	Gratuity		Post retirement Medical Benefit Plan	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Within the next 12 months (next annual reporting period)	445.64	325.26	5.84	5.25
Between 2 and 5 years	2,138.31	2,659.50	21.19	19.10
Between 6 and 10 years	1,228.24	1,516.10	20.94	18.98
Beyond 10 years	3,429.17	3,181.46	26.83	25.58

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (31 March 2017: 6 years).

33. Commitments and Contingencies

a. Leases:

Operating Lease - as lessee

i) The Parent Company has entered into the operating leases on certain godowns, office premises, Retail outlets and vehicles with lease term between 1 to 15 years and are renewable / cancellable at the option of either of parties. The Parent Company also has the option, under some of its leases, to lease the assets for additional term of 3 to 5 years. There are no restrictions imposed by the lease arrangements. There are no subleases.

The aggregate amount of operating lease payments recognized in the statement of profit and loss (including minimum lease payment) is ₹ 2,026.43 lakhs (March 31, 2017: ₹ 2,875.04 lakhs).

ii) In case of a subsidiary company there are operating lease arrangements for storage, warehouse and office premises. These leases are for a period of upto 72 months with options of renewal and premature termination with notice period, except in certain leases with lock-in period of 36 to 72 months. There are no restrictions placed upon the subsidiary company by entering into these leases. There are no sub-leases. The total lease rentals expense for the year is ₹ 962.69 Lakhs (Previous year: ₹ 1,248.38 Lakhs).

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

iii) In case of Parent Company and a subsidiary company, Future minimum rental payable under non cancellable operating lease as at 31st March are as follows:

(₹ in lakhs)

	Particulars	31 March 2018	31 March 2017
i)	Lease payments for the year	89.38	58.08
ii)	Payable for a period not later than one year	92.90	99.60
iii)	Payable for a period later than one year and not later than 5 years	76.13	156.33
iv)	Payable for the period later than 5 years	-	-

Operating Lease - as lessor

A subsidiary company has entered into cancellable operating leases in respect of a portion of its land and building. These leases include clause to enable upward revision of rental charge on an annual basis. The total rents recognised by the subsidiary as income during the year is ₹ 84.17 Lakhs (Previous year: ₹ 81.12 Lakhs).

b. Contingent Liabilities:

Claims against the Group not acknowledged as debts

(₹ in lakhs)

	Particulars	31 March 2018	31 March 2017
I	**Demands / Claims from Government Authorities ***		
(A)	**Demands from Income Tax Authorities**		
i)	Demands in respect of Assessment Year 2012-2013 for which an appeal is pending with CIT (Appeals)	1,565.30	1,565.30
ii)	Demands in respect of Assessment Year 2013-2014 for which an appeal is pending with CIT (Appeals)	367.43	367.43
iii)	Demands in respect of Assessment Year 2014-2015 for which an appeal is pending with CIT (Appeals)	370.76	78.56
iv)	Disputed income tax liability in respect of a subsidiary company of Assessment Year 2014-15	358.04	358.04
v)	Disputed income tax liability in respect of a subsidiary company of Assessment Year 2008-09	-	111.84
vi)	TDS demand for late filling of TDS for FY 2017-18	2.86	-
vii)	Income-tax Advance to Zuari Global Limited against earlier years demand pertains to Fertiliser Business in relation to Demerger happened in FY 2011-12.	2,388.67	-

(₹ in lakhs)

	Particulars	31 March 2018	31 March 2017
(B)	**Demands from Sales Tax and Other Authorities**		
i)	Demand Notice from Commercial Tax Department, Maharashtra towards financial year 2010-11.	2.87	2.87
ii)	Exparte Order received from Commercial Tax Department Lucknow, UP for the month of May 2016 to July 2016, Sep 2016, Oct 2016 & Dec 2016.	14.34	-
iii)	Penalty order received for delay in payment of tax from Commercial Tax Department Lucknow, UP towards financial year 2016-17	9.23	-
iv)	Demand Notice from Commercial Tax Department, Andhra Pradesh towards financial year 2015-16.	1.90	-
v)	Demand Notice from Commercial Tax Department, Chhatisgarh towards financial year 2012-13.	0.08	-
vi)	Disputed customs duty liability under appeal by a subsidiary company before CESTAT	90.60	90.60
vii)	Demand Notice from Commercial Tax Department , Jaipur towards non submission of "F Form" for the years 2010-11, 2011-12 & 2012-13 in respect of Company	96.77	96.77
viii)	Demand notice from Commercial Tax Department, Jaipur towards Excess Input Tax Credit availed for the years 2011-12 & 2012-13 in respect of Company	32.10	32.10
ix)	Demand notice from Commercial Tax Department, Madhya Pradesh towards non submission of "C Form" for the year 2013-14 of the Company.	2.48	2.48
x)	Demand notice from Commercial Tax Department, Maharashtra towards non submission of "F Form" for the year 2012-13 of the Company.	-	1.81
xi)	Demand notice from commercial tax department Kerala towards Conceded an interstate stock transfer (Out) of taxable items for the year 2009-10 of the Company	15.52	15.52
xii)	Demand Notice from commercial tax department Meerut, UP towards financial year 2013-14.	52.76	-
xiil)	Demand notice from Customs department, Mumbai towards non eligibility of exemption under notification no. 04/06-CE dt 01/03/2006(as amended by notification no. 4/2011-CE dt. 01/03/2011) towards Counter-Vailing Duty (CVD) for the imports at Navasheva port for the period 24.3.2011 to 02.12.2011 Appeal filed with West Zonal Branch of the Customs, Excise and Service Tax Appellate Tribunal at Mumbai for waiver of pre-deposit and penalty.	26.10	26.10
xiv)	Demand notice from Customs Department, Chennai towards denial of import of MOP at connectional rate of duty for the period 01.04.2001 to 28.02.2006. The Company has filed appeal with South Regional branch of the Customs, Excise and Service Tax Appellate Tribunal at Bangalore for waiver of pre-deposit and stay of impugned order.	284.74	284.74
xv)	Demand notice from Customs Department, Chennai towards denial of import of MOP at connectional rate of duty for the period 2002-03 and 2003-04. Appeal filed with South Regional branch of the Customs, Excise and Service Tax Appellate Tribunal at Bangalore for waiver of pre-deposit and stay of impugned order.	148.28	148.28
xvi)	Customs Duty Differential on finalised Bill of Entries-Dharamatar Port-Order by Deputy Commissioner of Customs(P) Alibaug Division.	71.02	67.37
xvii)	Entry tax demand for assessment year 2012-13	0.08	-
xviii)	The Company had a long term agreement for supply of water with Public Works Deptt (PWD), Government of Goa (GOG) dated October 20, 2006 which is valid upto March 31, 2016. Since PWD was not able to supply the daily required quantity of 10000 M3, the Company had entered into another agreement on March 28, 2014 with Water Resource Deptt (WRD), Govt of Goa. Consequently, the Company had made representation for revision in the Contract with PWD, GOG for revision of minimum daily quantity from 8500 M3 to 1500 M3 effective May 1, 2014, however in absence of revision in agreement PWD, GOG has continued with raising invoices with daily minimum quantity of 8500 M3. The Company is given to understand that proposal for revision of the agreement with PWD, GOG is in active consideration, hence Company has been paying them monthly for minimum quantity of 1500 M3.	5,451.35	3,551.12
II Other claims against the Group not acknowledged as debts*			
i) Bonus for 2014-15 pursuant to amendment to payment of Bonus Act, 1965 of a subsidiary company		6.37	6.03

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

Notes to consolidated financial Statements as at and for the year ended 31 March 2018
(Amount in ₹ lakhs, unless otherwise stated)

(₹ in lakhs)

	Particulars	31 March 2018	31 March 2017
III.	Aggregate amount of guarantees issued by the banks to various Government Authorities and Others**	11,889.23	14,834.37

** In respect of Parent Company, bank guarantees of ₹ 7,902.33 lakhs (31 March 2017: ₹ 12,522.48 lakhs) 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.

IV. The Parent Company had received a demand of ₹ 5,293 lakhs from Gas Authority of India Limited (GAIL) toward Take or Pay obligation. Even prior to receiving this demand, the Company has represented to GAIL to reduce the annual contractual quantity based on which the Company is confident that the Take or Pay amount will be substantial lower. Further, in terms of Contract with GAIL, this Take or Pay amount can be utilised for future Make up Gas supplies. The Parent Company is in discussion with GAIL to reduce / waive the Take or Pay charges, hence no provision has been made for the aforesaid demand amount.

c. Capital commitment: (₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Estimated amount of contracts remaining to be executed on capital account not provided for	6,408.73	7,302.01

Commitment and Contingent liabilities of joint ventures*

Contingent liabilities not provided for: (₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Claims/demand raised by Government Authorities**		
a. Claims/demand raised by Income Tax Authorities	3,963.53	3,285.29
b. Claims/demand raised by Sales Tax Authorities	9,329.55	10,825.10
Other Claims against the Company not acknowledged as debts**	4,728.82	5,069.46
Estimated amount of contracts remaining to be executed on capital account not provided for	906.88	7,557.99

* Being share of the Group in the Joint Company.

**Based on discussions with the solicitors / favourable decisions in similar cases / legal opinions taken by the Group, the Management believes that the Group has a good chance of success in the above mentioned cases and hence, no provision there against is considered necessary. The above has been compiled based on the information and records available with the Group.

34. Related party transactions

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods are:

(i) Joint ventures of the Group

1) Zuari Maroc Phosphates Private Limited
2) Paradeep Phosphates Limited – Subsidiary of Zuari Maroc Phosphates Private Limited
3) MCA Phosphates Pte Limited

(ii) Associate of the Group

1) Fosfatos Del Pacifico S.A.

(iii) Key Management Personnel of the Group

1) Mr. Saroj Kumar Poddar - Chairman
2) Mr. Kapil Mehan – Managing Director (w.e.f. 1st April 2015 upto 3rd June 2017)
3) Mr. N. Suresh Krishnan – (Managing Director of the subsidiary company and Non-Executive Director of the Parent Company)
4) Mr. Akshay Poddar - Non-Executive Director
5) Mr. V.Seshadri - Vice President - Finance (upto 1st July 2016)
6) Mr. Sandeep Agrawal - Chief Financial Officer (w.e.f. 1st July 2016)
7) Mr. R.Y. Patil - Chief General Manager and Company Secretary (till May 2016)
8) Mr. R.Y. Patil - Vice President and Company Secretary (w.e.f June 2016)

9) Mr. Marco Wadia - Independent Director
10) Mr. Gopal Krishna Pillai - Independent Director
11) Mr. J.N. Godbole - Independent Director
12) Ms. Kiran Dhingra - Independent Director
13) Mr. Sunil Sethy - Additional Director w.e.f 28 July 2017 & Managing Director w.e.f 1st August 2017

(iv) Parties having significant influence

1) Zuari Global Limited
2) Indian Furniture Products Limited (IFPL)
3) Forte Furniture Products (India) Private Limited (joint ventur of IFPL w.e.f. 01st February 2017)
4) Simon India Limited
5) Zuari Management Services Limited
6) Zuari Infraworld India Limited
7) Zuari Investments Limited
8) Gobind Sugar Mills Limited (subsidiary of Zuari Investment Limited)
9) Zuari Indian Oil Tanking Private Limited (Joint Venture of Zuari Global Limited)
10) Adventz Industries India Limited

(v) Details of Post Employment Benefit Plans managed through separate trusts (para 9 (b) (v) of Ind AS 24)

1) Zuari Industries Limited Employee's Provident Fund
2) Zuari Industries Limited Senior Staff Superannuation Fund
3) Zuari Industries Limited Non Management Employees Pension Fund
4) Zuari Industries Limited Gratuity Fund

Notes to consolidated financial Statements as at and for the year ended 31 March 2018
(Amount in ₹ lakhs, unless otherwise stated)

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2018

S. No	Transaction details	Year ended 31st March 2018					Year ended 31st March 2017				
		Subsidiaries	Joint Vent ures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel
1	**Expenses incurred on their behalf**										
	- Zuari Management Services Limited	-	-	-	-	-	-	-	1.08	-	-
	- Paradeep Phosphates Limited	-	221.95	-	-	-	-	106.46	-	-	-
	- Gobind Sugar Mills Limited	-	-	379.64	-	-	-	-	287.69	-	-
	- Simon India Limited	-	-	-	-	-	-	-	1.04	-	-
2	**Expenses incurred on our behalf**										
	- Paradeep Phosphates Limited	-	193.28	-	-	-	-	394.39	-	-	-
	- Gobind Sugar Mills Limited	-	-	0.58	-	-	-	-	1.19	-	-
	- Zuari Investment Limited	-	-	-	-	-	-	-	0.24	-	-
	- Zuari Infraworld India Limited	-	-	47.87	-	-	-	-	-	-	-
3	**Director deposit given**										
	- Zuari Management Services Limited	-	-	-	-	-	-	-	1.00	-	-
	- Zuari Global Limited	-	-	-	-	-	-	-	1.00	-	-
4	**Director deposit received**										
	- Zuari Global Limited	-	-	1.00	-	-	-	-	-	-	-
	- Zuari Management Services Limited	-	-	-	-	-	-	-	1.00	-	-
5	**Service charges paid**										
	- Zuari Management Services Limited	-	-	118.08	-	-	-	-	-	-	-
	- Zuari Infraworld India Limited	-	-	-	-	-	-	-	14.32	-	-
	- Adventz Industries India Limited	-	-	-	-	-	-	-	447.61	-	-
6	**Loans/ Advances given**										
	- Zuari Infraworld India Limited	-	-	-	-	-	-	-	35.01	-	-
7	**Transfer of Employee benefits**										
	- Paradeep Phosphates Limited	-	76.59	-	-	-	-	10.87	-	-	-
8	**Advance given received back**										
	- Zuari Global Limited	-	-	-	-	-	-	-	11,920.00	-	-
9	**Purchase of finished goods**										
	- Paradeep Phosphates Limited	-	12,769.43	-	-	-	-	16,959.52	-	-	-
10	**Rebate received on purchase of finished goods**										
	- Paradeep Phosphates Limited	-	270.95	-	-	-	-	-	-	-	-
11	**Sale of Finished Goods**										
	- Paradeep Phosphates Limited	-	345.33	-	-	-	-	5,124.24	-	-	-
12	**Purchase of Fixed Assets**										

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2018

S. No	Transaction details	Year ended 31st March 2018					Year ended 31st March 2017				
		Subsidiaries	Joint Vent ures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel
	- Indian Furniture Products Limited	-	-	189.20	-	-	-	-	52.82	-	-
	- Forte Furniture Products (India) Private Limited	-	-	0.90	-	-	-	-	-	-	-
	- Zuari Management Services Limited	-	-	-	-	-	-	-	0.70	-	-
13	**Interest Paid**										
	- Gobind Sugar Mills Limited	-	-	0.04	-	-	-	-	0.04	-	-
	- Paradeep Phosphates Limited	-	304.77	-	-	-	-	69.76	-	-	-
14	**Interest Accrued/Received on loan/ deposit/ trade receivable**										
	- Gobind Sugar Mills Limited	-	-	119.66	-	-	-	-	104.40	-	-
	- Paradeep Phosphates Limited	-	-	-	-	-	-	20.08	-	-	-
15	**Service Income Received**										
	- Paradeep Phosphates Limited		93.30	-	-	-		19.96	-	-	-
16	**Rent Paid**										
	- Zuari Global Limited	-	-	52.84	-	-	-	-	84.27	-	-
	- Gobind Sugar Mills Limited	-	-	2.16	-	-	-	-	2.40	-	-
17	**Purchase of Investments**										
	- Zuari Global Limited	-	-	-	-	-	-	-	6,335.93	-	-
18	**Advance given for purchase of Land**										
	- Zuari Global Limited	-	-	-	-	-	-	-	3,209.13	-	-
19	**Income Tax given for Tax Liability**										
	- Zuari Global Limited	-	-	-	-	-	-	-	2,533.85	-	-
20	**Dividend Paid**										
	- Zuari Global Limited	-	-	84.12	-	-	-	-	-	-	-
	- Zuari Management Services Limited	-	-	50.79	-	-	-	-	-	-	-
21	**Managerial Remuneration***										
	- Mr. Kapil Mehan	-	-	-	-	123.72	-	-	-	-	198.98
	- Mr. Sunil Sethy	-	-	-	-	50.05	-	-	-	-	-
	- Mr. Sandeep Agrawal	-	-	-	-	101.59	-	-	-	-	63.57
	- Mr. V.Seshadri	-	-	-	-	-	-	-	-	-	18.47
	- Mr.N. Suresh Krishnan					96.00					
	- Mr. R.Y. Patil	-	-	-	-	69.04	-	-	-	-	62.38
22	**Contribution to Gratuity Fund**	-	-	288.43	-	-	-	-	215.36	-	-
23	**Contribution to Superannuation Fund**	-	-	272.32	-	-	-	-	182.26	-	-

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2018

S. No	Transaction details	Year ended 31st March 2018					Year ended 31st March 2017				
		Subsidiaries	Joint Vent ures	Enterprises having Signifi-cant Influence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management person-nel or their relatives	Key Management Personnel
24	**Contribution to Provident Fund (including employees contribution)**	-	-	846.87	-	-	-	-	842.17	-	-
25	**Contribution to Contributory Pension Fund (including employees contribution)**	-	-	108.59	-	-	-	-	58.52	-	-
26	**Accrued Service Income**										
	- Zuari Indian Oiltanking Private Limited	-	-	4.12	-	-	-	-	22.73	-	-
27	**Sitting fees Paid**										
	- Mr. Saroj Kumar Poddar	-	-	-	-	3.10	-	-	-	-	2.95
	- Mr. Marco Wadia	-	-	-	-	6.35	-	-	-	-	5.90
	- Mr. Akshay poddar	-	-	-	-	4.95	-	-	-	-	4.45
	- Mr. Gopal Krishna Pillai	-	-	-	-	3.65	-	-	-	-	3.95
	- Mr. J.N. Godbole	-	-	-	-	5.85	-	-	-	-	4.70
	- Ms. Kiran Dhingra	-	-	-	-	2.50	-	-	-	-	2.50
	- Mr. Kapil Mehan					1.15					4.35
	- Mr. Sunil Sethy					2.45					-
	- Mr.N. Suresh Krishnan	-	-	-	-	6.05	-	-	-	-	5.30

* As the future liability for gratuity, leave encashment and post -retirement medical benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

(₹ in Lakhs)

Sl. No	Transaction details	Balance Outstanding for the year ended 31st March 2018					Balance Outstanding for the year ended 31st March 2017				
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Enterprises owned or significantly influenced by key management personn el or their relatives	Key management personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influ-ence	Enterprises owned or significantly influenced by key management personnel or their relatives	Key management personnel
1	**As Trade Payables**										
	- Zuari Management Services Limited	-	-	14.27	-	-	-	-	-	-	-
	- Gobind Sugar Mills Limited	-	-	-	-	-	-	-	2.34	-	-
	- Paradeep Phosphates Limited	-	10,809.89	-	-	-	-	9,234.77	-	-	-
	- Forte Furniture Products (India) Private Limited	-	-	0.90	-	-	-	-	-	-	-
	- Zuari Global Limited		-	-	-	-		-	0.16	-	-
	- Zuari Investments Limited	-	-	-	-	-	-	-	0.21	-	-
2	**As Trade Receivable/Other Receivable**										
	- Gobind Sugar Mills Limited	-	-	959.80	-	-	-	-	742.40	-	-
	- Paradeep Phosphates Limited	-	16.09	-	-	-	-	52.79	-	-	-
3	**As Advances Recoverable**										
	- Indian Furniture Products Limited	-	-	700.00	-	-	-	-	7.14	-	-
	- Zuari Management Services Limited	-	-	-	-	-	-	-	0.83	-	-
	- Zuari Infraworld India Limited	-	-	1.34	-	-	-	-	25.37	-	-
	- Zuari Global Limited	-	-	4.90	-	-	-	-	13.47	-	-
4	**Accrued Service Income**										
	- Zuari Indian Oiltanking Private Limited	-	-	-	-	-	-	-	198.31	-	-
5	**Interest Accrued/Received on loan/deposit/ trade receivable**										
	- Gobind Sugar Mills Limited	-	-	289.08	-	-	-	-	198.78	-	-
	- Paradeep Phosphates Limited	-	-	-	-	-	-	20.08	-	-	-
6	**Capital Advance**										
	- Zuari Global Limited (Advance for purchase of Land)	-	-	3,209.13	-	-	-	-	3,209.13	-	-
	- Indian Furniture Products Limited	-	-	-	-	-	-	-	700.00	-	-
7	**Advance given for Income Tax Liability**										
	- Zuari Global Limited	-	-	2,533.85	-	-	-	-	2,533.85	-	-
8	**Capital Liability**										
	- Indian Furniture Products Limited	-	-	89.13	-	-	-	-	11.52	-	-
9	**Deposits Given**										
	- Zuari Infraworld India Limited	-	-	29.33	-	-	-	-	-	-	-
10	**Deposit Received**										
	- Gobind Sugar Mills Limited	-	-	0.50	-	-	-	-	0.50	-	-
11	**Gratuity Fund Balance**	-	-	2,528.89	-	-	-	-	2,65 4.01	-	-
12	**Provident Fund Balance**	-	-	12,358.42	-	-	-	-	11,749.50	-	-

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

35 SEGMENT INFORMATION

Information regarding Primary Segment Reporting as per Ind AS-108

The Group is engaged in the business of manufacturing, trading and marketing of seeds, pesticides, chemical fertilizers and fertilizer products which according to the management, is considered as the only business segment.

Accordingly, no separate segmental information has been provided herein.

Geographical Segments

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

Revenue from single customer i.e. Government of India amounted to ₹ 3,34,853.10 lacs (Previous year : ₹ 2,76,954.20 lacs) arising from sales in the fertilizers segment.

36 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

(₹ In lakhs)

Particulars	Carrying value		Fair value	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Financial assets				
Investments:				
Investment in quoted equity share at FVTOCI	4,985.37	6,259.95	4,985.37	6,259.95
Investment in unquoted equity share at FVTOCI	1,272.24	1,370.80	1,272.24	1,370.80
Others:				
Loans and advances to related parties	700.00	20.64	700.00	20.64
Employee loans and interest thereon	113.36	174.67	113.36	174.67
Security deposits	1,279.74	1,121.44	1,279.74	1,121.44
Foreign exchange forward covers	689.09	-	689.09	-
Claims receivable	4,708.40	5,357.80	4,708.40	5,357.80
PSI grant receivable	91.10	91.10	91.10	91.10
Other financial assets	38,471.07	18,270.43	38,471.07	18,270.43
Total financial assets	**52,310.37**	**32,666.82**	**52,310.37**	**32,666.82**
Financial Liabilities				
Borrowings				
Long term borrowings	67,230.65	66,887.48	67,230.65	66,887.48
Short term borrowings	383,412.24	362,989.81	383,412.24	362,989.81
Others:				
Foreign exchange forward covers	758.49	9,405.33	758.49	9,405.33
Payable towards voluntary retirement scheme	111.62	168.33	111.62	168.33
Other financial liabilities	18,200.47	16,498.55	18,200.47	16,498.55
Total financial liabilities	**469,713.47**	**455,949.50**	**469,713.47**	**455,949.50**

The management assessed that cash and cash equivalents, trade receivables, other current financial assets and trade payables approximate their fair value largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The following methods and assumptions were used to estimate the fair values:

(i) Derivative financial instruments - The fair value of forward foreign exchange contracts is determined using the forward exchange rates at the balance sheet date. The fair value of foreign currency option contracts is determined using the Black Scholes valuation model.

The derivatives are entered into with the banks counter parties with investment grade credit ratings.

(ii) Security deposits / Employee loans - The fair value of security deposits / employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2018 are as shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
As on March 31, 2018				
Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 11.61% & LTGR 4%	Increase in WACC and decrease in LTGR by 0.50% would result in decrease in fair value by ₹ 24.48 lakhs and Decrease in WACC and increase in LTGR by 0.50% would result in increase in fair value by ₹ 28.08 lakhs respectively.
As on March 31, 2017				
Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 11.18% & LTGR 4%	Increase in WACC and decrease in LTGR by 0.50% would result in decrease in fair value by ₹ 239.76 lakhs and Decrease in WACC and increase in LTGR by 0.50% would result in increase in fair value by ₹ 316.80 lakhs respectively.

37 Fair value measurements

(i) Financial instruments by category (₹ .in lakhs)

	31 March 2018			31 March 2017		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments-						
Investment in quoted equity share at FVTOCI	-	4,985.37	-	-	6,259.95	-
Investment in unquoted equity share at FVTOCI	-	1,272.24	-	-	1,370.80	-
Loans and interest thereon	-	-	813.36	-	-	2,438.53
Security deposits	-	-	1,279.74	-	-	1,121.44
Trade receivables	-	-	344,807.74	-	-	346,136.24
Cash and cash equivalents	-	-	14,738.96	-	-	6,564.80
Bank balances other than above	-	-	2,129.50	-	-	663.60
Other receivables	-	-	43,959.67	-	-	21,476.11
Total Financial assets	**-**	**6,257.61**	**407,728.97**	**-**	**7,630.75**	**378,400.72**
Financial liabilities						
Borrowings	-	-	450,642.89	-	-	429,877.29
Trade payables	-	-	151,026.74	-	-	107,859.13
Foreign exchange forward covers	758.49	-	-	9,405.33	-	-
Payable for capital goods	-	-	1,219.15	-	-	767.42
Others	-	-	17,092.94	-	-	15,899.46
Total Financial liabilities	**758.49**	**-**	**619,981.72**	**9,405.33**	**-**	**554,403.30**

(ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018: **(₹ in lakhs)**

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:				-	-
Investment in quoted equity share at FVTOCI	31.03.2018	4,985.37	4,985.37	-	-
Investment in unquoted equity share at FVTOCI	31.03.2018	1,272.24	-	-	1,272.24

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets for which fair values are disclosed					
Loans and advances to related parties	31.03.2018	700.00	-	700.00	-
Employee loans and interest thereon	31.03.2018	113.36	-	113.36	-
Security deposits	31.03.2018	1,279.74	-	1,279.74	-
Foreign exchange forward covers	31.03.2018	689.09	-	689.09	-
Claims receivable	31.03.2018	4,708.40	-	4,708.40	-
PSI grant receivable	31.03.2018	91.10	-	91.10	-
other financial assets	31.03.2018	38,471.07	-	38471.07	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018: **(₹ in lakhs)**

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value					
Foreign exchange forward covers	31.03.2018	758.49	-	758.49	-
Liabilities for which fair values are disclosed					
Long term borrowings	31.03.2018	67,230.65	-	67,230.65	-
Short term borrowings	31.03.2018	383,412.24	-	383,412.24	-
Payable towards voluntary retirement scheme	31.03.2018	111.62	-	111.62	-
Other financial liabilities	31.03.2018	18,200.47	-	18,200.47	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures, fair value measurement hierarchy for assets as at 31 March 2017: **(₹.in lakhs)**

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Investment in quoted equity share at FVTOCI	31.03.2017	6,259.95	6,259.95	-	-
Investment in unquoted equity share at FVTOCI	31.03.2017	1,370.80	-	-	1,370.80
Assets for which fair values are disclosed					
Loans and advances to related parties	31.03.2017	20.64	-	20.64	-

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Employee loans and interest thereon	31.03.2017	174.67	-	174.67	-
Security deposits	31.03.2017	1,121.44	-	1,121.44	-
Claims receivable	31.03.2017	5,357.80	-	5,357.80	-
PSI grant receivable	31.03.2017	91.10	-	91.10	-
Other financial assets	31.03.2017	18,270.43	-	18,270.43	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017: **(₹.in lakhs)**

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value					
Foreign exchange forward covers	31.03.2017	9,405.33	-	9,405.33	-
Liabilities for which fair values are disclosed					
Long term borrowings	31.03.2017	66,887.48	-	66,887.48	-
Short term borrowings	31.03.2017	362,989.81	-	362,989.81	-
Payable towards voluntary retirement scheme	31.03.2017	168.33	-	168.33	-
Other financial liabilities	31.03.2017	16,498.55	-	16,498.55	-

There have been no transfers between level 1, level 2 and level 3 during the year.

38 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans,trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds investments and enters into derivative transactions. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors (Committee of directors for Banking and Finance) provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, investments and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

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

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ In lakhs)

Particulars	Increase/ decrease in basis points	Effect on profit before tax
For the year ended March 31, 2018		
INR Borrowings	+50	(1,436.00)
USD Borrowings	+50	(738.74)
Euro Borrowings	+50	(28.48)
INR Borrowings	-50	1,436.00
USD Borrowings	-50	738.74
Euro Borrowings	-50	28.48
For the year ended March 31, 2017		
INR Borrowings	+50	(1,242.32)
USD Borrowings	+50	(827.01)
Euro Borrowings	+50	(30.06)
INR Borrowings	-50	1,242.32
USD Borrowings	-50	827.01
Euro Borrowings	-50	30.06

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with ₹, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

For the year ended March 31, 2018 (₹ in lakhs)

Particulars	Change in foreign currency rate	Effect on profit before tax
USD	+5%	(4,318.32)
	-5%	4,318.32
GBP	+5%	(4.10)
	-5%	4.10

For the year ended March 31, 2017 (₹ in lakhs)

Particulars	Change in foreign currency rate	Effect on profit before tax
USD	+5%	(1,575.12)
	-5%	1,575.12
EURO	+5%	(62.32)
	-5%	62.32

c) Commodity price risk

The Group's operating activities require the ongoing purchase of natural gas, imported raw materials and imported fertilisers.

(i) The Group's operating activities require the ongoing purchase of natural gas. Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Group is not affected by the price volatility of the natural gas as under the Urea pricing formula the cost of natural gas is pass through if the consumption of natural gas is with in the permissible norm for manufacturing of Urea.

(ii) The Group deals in purchase of imported fertilisers (i.e. DAP and MOP), which are imported by the Group and sold in the domestic market. The import prices of these goods are governed by international prices. There is a price and material availability risk, which may not be in line to meet the domestic market requirement. The risk is also with domestic manufacturers whose costing is based on majorly imported raw materials and small value-add. However, a dynamic alignment of procurement to sales and constant review of market conditions and competitors costing help in mitigating the impact.

(iii) The Group also deals in purchase of imported raw materials (i.e. P2O5, Ammonia, Potash and Urea), which are imported by the Group and used in the manufacturing of NPK. The import prices of these materials are governed by international prices. There is a price and material availability risk.

Equity price risk

Applicability

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

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 1,272.24 lakhs (31 March 2017 ₹ 1,370.80 lakhs). Sensitivity analysis of these investments have been provided in Note 36.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 4985.37 lakhs (31 March 2017 ₹ 6,259.95 lakhs). A decrease of 5% on the BSE market price could have an impact of approximately ₹ 249.27 lakhs (31 March 2017: ₹ 313.01 lakhs) on the OCI or equity attributable to the Group. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

Credit risk

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

a) Trade receivables

The Group receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Group has also taken security deposits from its customers, which mitigate the credit risk to some extent.

Reconciliation of provision for doubtful debts: **(₹ in lakhs)**

Particulars	Trade receivables	Loans	Other advances	Total
Provision for doubtful debts as on 1st April 2016:	482.22	-	1,668.20	2,150.42
Add: Provision made during the year	22.17	-	58.28	80.45
Less: Provision utilized during the year	-	-	(2.50)	(2.50)
Provision for doubtful debts as on 1st April 2017:	504.39	-	1,723.98	2,228.37
Add: Provision made during the year *	903.29	1,393.53	161.62	2,458.44
Less: Provision utilized during the year	(71.35)	-	-	(71.35)
Provision for doubtful debts as on 31st March 2018:	1,336.33	1,393.53	1,885.60	4,615.46

* ₹ 1393.54 lakhs shown under exceptional items

Notes to consolidated financial Statements as at and for the year ended 31 March 2018
(Amount in ₹ lakhs, unless otherwise stated)

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the guidelines framed by the board of directors of the Group. Guidelines broadly covers the selection criterion and over all exposure which the Group can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Group can make with a particular bank or financial institution. The Group does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

Liquidity risk

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(₹ in lakhs)

Particulars	Less than 1 Year	1-3 Years	3-5 years	> 5 years	Total
Year ended 31 March 2018					
Borrowings	398,613.70	30,572.60	18,557.20	2,899.40	450,642.90
Other financial liabilities	18,312.08	-	-	-	18,312.08
Trade and other payables	151,026.74	-	-	-	151,026.74
Foreign exchange forward covers	296.62	461.87	-	-	758.49
	568,249.14	**31,034.47**	**18,557.20**	**2,899.40**	**620,740.21**
Year ended 31 March 2017					
Borrowings	380,576.25	43,490.92	4,717.39	1,092.74	429,877.29
Other financial liabilities	16,560.50	80.06	26.31	-	16,666.88
Trade and other payables	107,859.13	-	-	-	107,859.13
Foreign exchange forward covers	7,766.23	1,639.10	-	-	9,405.33
	512,762.11	**45,210.08**	**4,743.70**	**1,092.74**	**563,808.63**

39. Capital management

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

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

(₹ in lakhs)

Particulars	At 31 March 2018	At 31 March 2017
Total Borrowings (Refer Note 12 A & Note 12B)	450,642.89	429,877.29
Trade payables (Refer Note 13)	151,026.74	107,859.13
Other payables (Refer Note 14)	19,070.58	26,072.21
Less: Cash and cash equivalents (Refer Note 10)	(14,738.96)	(6,564.80)
Net debts	**606,001.25**	**557,243.83**
Equity	147,633.46	136,695.72
Capital and net debt	**753,634.71**	**693,939.54**
Gearing ratio (%)	**80.41%**	**80.30%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

40. Disclosure required under Section 186 (4) of the Companies Act 2013.

(a) Particulars of Investments made during the year:

S. No.	Name of the Investee	Opening Balance as on 01 April 2017	Investments made during the year	Adjustments *	Closing Balance as on 31 March 2018	Purpose
1	Nagarjuna Fertilisers and Chemicals Limited	6,259.95	-	(1,274.58)	4,985.37	Strategic investment
2	Indian Potash Limited	1,370.80	-	(98.56)	1,272.24	Strategic investment

* Being adjustments for fair valuation

41 In respect of the Parent Company and a subsidiary company, based on the circulars received for revision in uniform freight relating to secondary freight and direct road movement, the Group has, during the year, accrued additional freight subsidy income of ₹ 1301.11 lakhs (upto Previous year ₹ 5,574.62 lakhs) relating to Urea. Also, the Group has receivable of ₹ 2,910.62 lakhs (Previous Year ₹ 2,910.62 lakhs) for Phosphoric and Potassic Fertilisers, for which the claims are yet to be submitted.

As the performa/ format for raising the bills is recently notified and the Group is in the process of raising the bills, the amount of ₹ 9,786.35 lakhs (Previous Year ₹ 8,485.24 lakhs) is still pending for collection. The Group is hopeful to realize the above entire amount of ₹ 9,786.35 lakhs (Previous Year ₹ 8,485.24 lakhs).

42 The Parent Company is carrying receivable of ₹ 2203.93 lakhs (March 31,2017: ₹ 2577.95 lakhs) on account of claim raised on a product supplier for loss suffered on purchase of material which did not meet the specified standards. According to the management, the Parent Company has entered into fresh contracts with the supplier for purchase of material at discounted price and the supplier has assured to provide rebate for adverse market conditions during the earlier period. Accordingly the Parent Company has reviewed the cash flows from the supplier towards recovery of the amount and has discounted the long term portion of the inflows. Consequently, the Parent Company has booked an impairment loss of ₹ 317.19 lakhs on the receivable in the Statement of Profit and Loss during the current financial year. The Parent Company is hopeful to recover the said amount although the supplier has not confirmed the receivable amount.

43 The Parent Company is carrying a receivable of ₹ 1,949.03 lakhs for the period February 2013 & March 2013 on account of accrual of subsidy income at higher rate in comparison to rate at which subsidy is granted. However, as per the office Memorandum dated April 16, 2018 issued by the Department of Fertilizer, the Government has ex-post facto approved the subsidy paid on specific quantity of P&K fertilizer received in the district during February 2013 and March 2013 months in different year since 2012-13 as the rates fixed for the next financial year which were lower than the rate approved by cabinet /CCEA for that year. The Parent Company has represented to the Department of Fertilizer that the material moved in February 2013 and March 2013 was part of the approved movement plan of January 2013 and hence NBS rates of 2013 should be applicable. The Parent Company has obtained a legal opinion and if required will take appropriate recourse to recover this amount. The Parent Company is hopeful to realize the aforesaid amount hence no provision for ₹ 1949.03 lakhs has been made in the accounts.

44 In case of one of the division, the Parent Company 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 July '19, 2012. As per the Eligibility Certificate, the Parent Company is entitled to:

a) Electricity Duty exemption for a period of 15 years from the date of commercial production of the division.
b) 25% refund of annual VAT and CST liability (after set-off) on sale of manufactured goods from the project of the division.

In terms of the Indian Accounting Standard (Ind AS 20) "Accounting for Government Grants", the eligible incentive is considered as a capital grant and has been set-up as deferred income, 'being recognised in the statement of profit and loss over the life of the eligible fixed assets.

Incentive receivable in respect of VAT and CST liability aggregating ₹ 119.39 lakhs as at March 31, 2018 (Previous Year ₹ 136.45 lakhs) has been set up as deferred income and is being recognised in the statement of profit and loss on systematic basis over the life of the eligible fixed assets. During the year, ₹ 17.05 lakhs (March 31, 2017: ₹ 17.05 lakhs) has been credited to the statement of profit and loss.

Incentive in respect of electricity duty exemption is accounted for during the year as a reduction from the electricity charges (i.e. the electricity charges recognised in note 26 are considered net of electricity duty as per payments made to the electricity board).

45 The Parent Company is planning to set up a Phosphoric fertilizer plant in Ras-Al-Khaimah (RAK) in United Arab Emirates in collaboration with Ras-Al-Khaimah Maritime City Free Zone Authority. Expenditure on feasibility study and related expenditure amounting to ₹ 3,212.39 lakhs (31st March 2017: ₹ 3,155.15 lakhs) have been carried forward, pending decision on issue of shares to the Parent Company in the proposed Joint Venture project. The JV Company has been incorporated and definitive agreement between the sharehol ders have been completed. The Parent Company is in discussion with various EPC contractors with regard to the implementation of the project.

46 In respect of Parent Company's investment of ₹ 11,943.48 lakhs (31st March 2017: ₹ 11,943.48 lakhs) in the rock phosphate mining project (which is under development) through MCA Phosphare Pte Ltd, a joint venture Company, the Parent Company has not considered any impairment loss based on the fair valuation of the said investment done by an independent valuer, which indicates a value higher than the carrying amount, however review by statutory auditors is still in process. The joint venture company had provided for diminution in the entire value of said investment, which the Parent Company is not in agreement with since the same is not in accordance with the shareholders agreement with the joint venture company, and also the project company where the MCA phosphate Pte Ltd has made an investment, has not made any provision for any impairment.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018
(Amount in ₹ lakhs, unless otherwise stated)

47 During the financial year 2013-14, the Parent Company had sold part of freehold land at a consideration of ₹ 16,359.32 lakhs. The possession of the said parcel of land was handed over on 28 March 2014; however the transfer of title is under progress. The Parent Company had received full consideration from the buyer in the financial year 2013-14.

48 In terms of Demerger of fertilizer undertaking from Zuari Global Limited in an earlier year, the title deeds of Immovable properties are in the process of being transferred in the name of the Parent Company.

49 The Parent Company is in the process of identifying name of the customers from whom it has received money and such collections of ₹ 128.98 lakhs (March 31,2017: ₹ 332.62 lakhs) are lying under unadjusted credits, although adjusted from the overall balance of trade receivable. Further, the balance of individual customers and vendors of the Parent Company are subject to confirmation/ reconciliation. The adjustments, if any, which in the opinion of the management, would not be material, would be made once these accounts are confirmed/ reconciled.

50 Zuari Global Limited (ZGL) had demerged its fertilizer undertaking to the Parent Company with effect from 1st July'2011. ZGL has during the year, based on Hon'ble High Court order on demerger of fertilizer undertaking, identified amount of income tax paid under protest pertaining to fertilizer undertaking demerged into the Parent Company.

The Parent Company has exchanged letter of mutual understanding with ZGL wherein the Company has paid such amount of income tax paid under protest. During the previous year, the Parent Company had paid ₹ 2,533.85 lakhs to ZGL on this account pending completion of final assessment/ litigation in respect of such financial years, out of which during the current year ZGL has received a refund of ₹ 145.18 lakhs in respect of assessment year 2008-09.

Also, the Parent Company had, during the previous year, paid ₹ 3,209.13 lakhs as advance to ZGL on account of purchase of land and buildings in Solapur district.

51 During the year, the Parent Company has paid remuneration to Managing Director as per the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013, However, the approval of Central Government for excess remuneration paid to Managing Director of the Parent Company amounting to ₹ 149.82 lakhs for the year ended March 31, 2016 is awaited.

52 (a) United Breweries Limited, KingFisher Finvest India Limited, McDowell Holdings Limited instituted arbitration proceedings against the Parent Company and its erstwhile subsidiary, Zuari Fertilizer and Chemicals Limited (now merged with the Parent Company) alleging breach of the Share Holders Agreement (SHA) dated 12th May 2014 executed between the parties. The arbitration was instituted before the, former Chief Justice of India. The Award was passed on 8th May 2017 wherein the Arbitrator has held that the SHA cannot be specifically enforced. The claims raised by the Claimants stand dismissed and the arbitrator has ord ered to pay to the Parent Company a sum of ₹ 75 lakhs. The Award has been challenged by the Claimants before the High Court of Bombay at Mumbai and the matter is pending for final arguments.

(b) A subsidiary company had engaged M/s Ernst & Young LLP (EY) to carry out a forensic investigation into transactions in relation to the investment in the preference shares of Bangalore Beverages Limited (BBL) and advances made to United Beverages Holding Limited (UBHL) aggregating to ₹ 21,668 lakhs which had duly been provided for in the books of the subsidiary company. Based on their report, Zuari Fertilisers and Chemicals Limited (ZFCL), the then holding company of the subsidiary had approached the National Company Law Tribunal in Bangalore to obtain accountability of the UB Group for the irregularities. Since UBHL has been declared to be wound up by the High Court of Karnataka vide order dated 7th February 2017, the ZFCL made an application before the High Court of Karnataka. ZFCL's application for permission to proceed against UBHL in the NCLT proceedings has been allowed by the High Court on 20th April 2017. The matter has been taken up for hearing on several occasions, the official liquidator has been made party to the proceedings pursuant to the order of the high court, the official liquidator has been served but has failed to appear in the matter. The NCLT has passed an order directing the official liquidator to be present and file a reply on the next date of hearing. The matter is now fixed on 22.06.2018.

53 While confirming the balance due from Mcdowells Holdings Limited (MHL), aggregating to ₹ 2,332.97 lakhs, they have sought to adjust a sum of ₹ 939.43 lakhs said to be due to them from on e of the subsidiaries i.e. Mangalore Chemicals & Fertilisers Ltd (MCFL). The Parent Company has replied that MHL has no right to unilaterally assign any liability of MFCL on the basis that MCFL is a subsidiary of the Parent Company and have refuted the stand taken by MHL. The Parent Company has instituted proceedings against MHL under the various provisions of the Companies Act, 2013 before the National Company Law Tribunal questioning among others MCFL's purported liability. During current financial year the Parent Company has made a provision for the net recoverable amount from MHL of ₹ 1393.54 lakhs and has charged off the same to the statement of profit and loss as exceptional items.

54 Amalgamation

I. Pursuant to the Scheme of Amalgamation ["the Scheme"] under Section 391 to 394 of the Companies Act 1956 among the Parent Company and its erstwhile wholly owned subsidiary companies, namely Zuari Fertilizers and Chemicals Limited ("ZFCL"), Zuari Speciality Fertilisers Limited ("ZSFL") and Zuari Agri Sciences Limited ("ZASL"), [Transferor Companies] approved by Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated 14th September 2017, the Transferor Companies stand merged with the Parent Company w.e.f. April 1, 2015 (the appointed date). A certified true copy of the Order has been received by the Transferor Companies and the Parent Company on November 07, 2017 and the Parent Company has filed the order with the Registrar of Companies (ROC), Goa.

In terms of the NCLT order, the Scheme of Amalgamation is effective from November 13, 2017, the date on which the order was filed with the ROC, Goa.

With effect from the appointed date, all the business undertakings , assets , liabilities , rights and obligations of the Transferor Companies stood transferred to and vested in the Parent Company.

II. Since ZFCL and ZASL were the entities under the common control, the amalgamation has been accounted for in terms of 'Appendix C' of Indian Accounting Standard 103 (Ind AS 103) by applying "pooling of interest" method of accounting on the appointed date, where in all the assets and the liabilities of the Transferor companies have been accounted for at their book values as appearing in the books as on appointed date i.e April 1, 2015.

Further, accounting for amalgamation for ZSFL has been done as per "acquisition method" as prescribed in Indian Accounting Standard 103 (Ind AS 103) where in all the assets and liablities of ZSFL have been accounted for at their book values as appearing in the books as on appointed date i.e April 1, 2015 as per the scheme of Amalgamation. The difference in the value of assets and value of the liabilities pertaining to transferred undertaking of ZSFL has been treated as Goodwill.

III. Pursuant to the Scheme of Amalgamation approved by the NCLT, all assets and liabilities of the transferor company are transferred to the transferee company and all inter-company transactions are eliminated. However, no elimination of inter company transactions has been made for transactions entered upto March 31, 2015.

Therefore in accordance with the NCLT order, the Parent Company has accounted for as under :

(₹ in Lakhs)

Particulars	ZASL	ZFCL	ZSFL
Assets			
Property, Plant and Equipment	186.12	391.68	1,475.05
Capital work-in progress	-	6,793.73	-
Investment Property	-	362.29	-
Intangible assets	427. 19	-	0.09
Non-Current Financial Assets			
Investments	-	16,938.34	-
Loans	21.16	4.75	4.15
Others	12.47	-	76.21
Other non-current assets	-	4,592.39	-
Tax Assets (Net)	1.84	44.83	18.81
Inventories	2,586.10	1,831.83	720.04
Current Financial Assets			
Loans	-	2,027.80	-
Trade receivables	1,588.15	266.77	1,253.74
Cash and cash equivalents	450.06	130.25	31.03
Other Bank balances	-	405.00	-
Others	0.47	-	51.52
Other current assets	96.28	101.11	20.70
Total	**5,369.84**	**33,890.77**	**3,651.34**

Notes to consolidated financial Statements as at and for the year ended 31 March 2018

(Amount in ₹ lakhs, unless otherwise stated)

(₹ in Lakhs)

Particulars	ZASL	ZFCL	ZSFL
Liabilities			
Non-Current Financial Liabilities			
Borrowings	258.77	21,697.73	-
Other non-current liabilities	-	-	143.51
Long term provisions	-	26.29	2.94
Deferred tax liabilities (net)	-	-	12.78
Current liabilities			
Borrowings	1,481.24	1,712.00	1,619.87
Trade payables	1,121.02	2,377.99	834.90
Other financial liabilities	1,186.25	2,725.00	13.08
Other current liabilities	1,310.67	564.95	59.39
Short term provisions	83.83	61.17	3.40
Total	**5,441.78**	**29,165.13**	**2,689.87**
Net Assets / (Liabilities) taken over	**(71.94)**	**4,725.64**	**961.47**

IV. (a) Two of the transferor companies (i.e ZASL & ZFCL) were wholly owned subsidiaries of the Parent Company and their entire share capital were held by the Parent Company and its nominees. Upon the Scheme becoming effective, the shares held by the Parent Company and its nominees in the Transferor Companies stands cancelled and extinguished without any further application, act, instrument or deed and no shares shall be issued to the shareholders of the Transferor Companies.

(b) One of the transferor company i.e ZSFL, became wholly owned subsidiary of the Parent Company upon acquiring balance equity shares on December 11, 2015 held by joint venture partner i.e Rotem Amfert Negev Limited. Upon the Scheme becoming effective, the difference between the amount of consideration paid and book value of those equity shares has been treated as goodwill. Further, the Parent Company has credited a sum of ₹ 96.99 lakhs towards the share of loss of joint venture partner till the date of acquiring shares from April 01, 2015.

V. As per the Scheme of Amalgamation, the authorized share capital of the Parent Company will automatically increase by the authorized share capital of Transferor Companies without any further act or deed on the part of the Parent Company on the effective date as defined in the Scheme. In order to intimate the ROC,Goa regarding the Scheme and to get its authorised share capital increased as per the Scheme, the Parent Company has filed E Form INC-28 on November 13, 2017.

VI. As per the Scheme, during the period between the Appointed date and the Effective date, the Transferor Companies have carried on the business in “trust” on behalf of the Parent Company. Further, all profits or incomes earned and losses and expenses incurred by the Transferor Companies during the period, for all purposes, is profits or income or expenditure or losses of the Parent Company.

VII. The title deeds for immovable properties, licenses, agreements, bank accounts, loan documents etc. of the Transferor Companies are in the process of being transferred in the name of the Parent Company.

VIII. The Parent Company had previously issued its financial statements for the previous year ended March 31, 2017 as on May 19, 2017. Due to the aforesaid NCLT order for Amalgamation which came after issuance of financial statements for the previous year, the comparative number for the previous year ended March 31, 2017 have been prepared after incorporating the financial statements of the erstwhile subsidiaries according to the Scheme of Amalgamation.

Notes to consolidated financial Statements as at and for the year ended 31 March 2018
(Amount in ₹ lakhs, unless otherwise stated)

55 **Statutory Group Information:**

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total compre ensive income	
	As % of consolidated net assets	Amount in ₹ Lakhs	As % of consolidated profit and loss	Amount in ₹ Lakhs	As % of consolidated other comprehensive income	Amount in ₹ Lakhs	As % of consolidated total comprehensive income	Amount in ₹ Lakhs
Parent Company								
Zuari Agro Chemicals Limited								
Balance as at 31st March, 2018	46%	68,545.96	33%	4,195.17	100%	(1,331.55)	25%	2,863.62
Balance as at 31st March, 2017	48%	66,188.53	275%	(6,037.22)	114%	1,388.12	473%	(4,649.10)
Subsidiary Companies								
1. Mangalore Chemicals & Fertilisers Limited								
Balance as at 31st March, 2018	32%	47,732.58	47%	6,058.26	1%	(15.96)	52%	6,042.30
Balance as at 31st March, 2017	31%	42,403.49	-88%	1,941.47	1%	10.64	-199%	1,952.11
2. Adventz Trading DMCC								
Balance as at 31st March, 2018	0%	246.07	2%	234.56	0%	2.78	2%	237.34
Balance as at 31st March, 2017	0%	-	0%	-	0%	-	0%	-
Non-controlling interests in all subsidiaries								
Balance as at 31st March, 2018	-26%	(39,002.89)	-22%	(2,845.84)	-1%	7.50	-25%	(2,838.34)
Balance as at 31st March, 2017	-27%	(36,442.91)	42%	(912.01)	0%	(5.00)	93%	(917.00)
Joint Ventures								
Balance as at 31st March, 2018	0%	-	45%	5,848.78	0%	3.44	51%	5,852.22
Balance as at 31st March, 2017	0%	-	-148%	3,251.78	-15%	(179.89)	-313%	3,071.89
Eliminations and adjustments due to Consolidation								
Balance as at 31st March, 2018	47%	70,112.51	-5%	(592.57)	0%	-	-5%	(592.57)
Balance as at 31st March, 2017	47%	64,547.76	20%	(440.21)	0%	-	45%	(440.21)
Total								
Balance as at 31st March, 2018	**100%**	**147,633.46**	**100%**	**12,898.37**	**100%**	**(1,333.80)**	**100%**	**11,564.56**
Balance as at 31st March, 2017	**100%**	**136,695.72**	**100%**	**(2,196.21)**	**100%**	**1,213.87**	**100%**	**(982.34)**

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.301003E/E300005

per **ANIL GUPTA**
Partner

Membership No. 87921

Place: New Delhi
Date: May 25, 2018

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

S. K. PODDAR
Chairman
DIN: 00008654

SUNIL SETHY
Managing Director
DIN: 00244104

MARCO WADIA
Director
DIN: 00244357

SANDEEP AGRAWAL
Chief Financial Officer

R. Y. PATIL
Vice President &
Company Secretary
FCS: 2845

Place: Gurgaon
Date: May 25, 2018

NOTES

adventz

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