

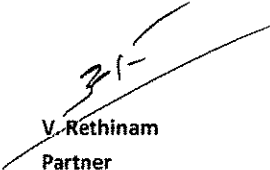
Zuari Fertilisers and Chemicals Limited
Balance Sheet as at 31 March, 2016

(Amount in Rupees)


	Notes	31 March, 2016	31 March, 2015
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	1535,00,000	1535,00,000
Reserves and surplus	4	-12569,21,337	-3625,97,258
		<u>-11034,21,337</u>	<u>-2090,97,258</u>
Non-current liabilities			
Long-term borrowings	5	57550,63,672	21723,25,000
		<u>57550,63,672</u>	<u>21723,25,000</u>
Current liabilities			
Short-term borrowings	7	1701,30,727	1712,00,000
Trade Payables	8	2096,42,932	2377,98,525
Other current liabilities	9	20813,80,730	3289,95,164
Short-term provisions	6	29,05,369	87,46,426
		<u>24640,59,758</u>	<u>7467,40,115</u>
Total		<u><u>71157,02,093</u></u>	<u><u>27099,67,857</u></u>
<u>ASSETS</u>			
Fixed assets			
Tangible assets	10	8195,87,684	753,96,926
Capital work-in-progress	10A	-	6819,24,946
Non-current investments	11	51852,01,580	10121,73,450
Long-term loans and advances	12	3797,53,925	4641,96,939
		<u>63845,43,189</u>	<u>22336,92,261</u>
Current assets			
Inventories	12A	1801,97,513	1831,82,566
Trade Receivable	12B	2801,00,164	266,77,182
Cash and bank balances	13	417,66,798	535,25,245
Short-term loans and advances	12	2237,68,402	2093,87,598
Other current assets	14	53,26,027	35,03,005
		<u>7311,58,904</u>	<u>4762,75,596</u>
Total		<u><u>71157,02,093</u></u>	<u><u>27099,67,857</u></u>
Significant accounting policies	1		
Other notes forming part of the financial statements	2		

As per our report of even date

For V.Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

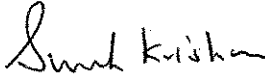

V. Rethinam
Partner
M No.10412
Place: New Delhi
Date: 06.05.2016


For and on behalf of the Board

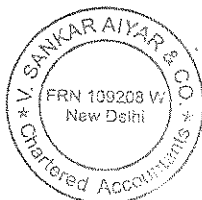

Kapil Mehan
Director
DIN: 01215092


Bijay Kumar Biswal
Chief Financial Officer

Place: Gurgaon
Date: 06.05.2016


N. Suresh Krishnan
Director
DIN: 00021965


Swati Hegde
Company Secretary



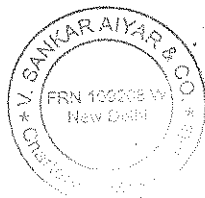
Zuari Fertilisers and Chemicals Limited
Statement of Profit and Loss for the year ended 31 March, 2016

(Amount in Rupees)

	Notes	31 March, 2016	31 March, 2015
Income			
Revenue from operations	15	4470,67,732	-
Other income	16	771,03,188	625,63,588
Total Revenue		5241,70,920	625,63,588
Expenses			
Cost of Raw Materials consumed	17	2231,58,464	-
(Increase)/Decrease in Inventories	18	1387,09,008	-
Transportation on finished goods		732,96,422	
Employee benefits expense	19	255,35,158	335,71,262
Other expenses	20	990,38,602	809,73,399
Total		5597,37,654	1145,44,661
Earnings before interest, tax, depreciation and amortization (EBITDA)		-355,66,734	-519,81,073
Depreciation and amortization expense	21	244,63,544	2,32,988
Finance costs	22	8342,93,801	1858,35,109
Profit/(loss) for the year before tax		(8943,24,079)	-2380,49,170
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit/(Loss) for the year after tax carried to		(8943,24,079)	(2380,49,170)
Earnings per equity share (nominal value of share Rs.10/- (31 March, 2015 - Rs.10/-) Basic & diluted		(58.26)	(15.51)
Significant accounting policies	1		
Other notes forming part of the financial stat	2		
As per our report of even date			

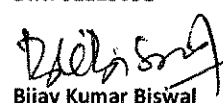
For V.Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W


V. Rethinam
Partner
M No.10412
Place: New Delhi
Date: 06.05.2016

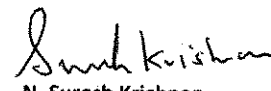


For and on behalf of the Board


Kapil Mehan
Director
DIN: 01215092


Bijay Kumar Biswal
Chief Financial Officer

Place: Gurgaon
Date: 06.05.2016


N. Suresh Krishnan
Director
DIN: 00021965

DIN: 00021965


Swati Hegde
Company Secretary

Zuari Fertilisers and Chemicals Limited

Cash Flow Statement for the year ended 31 March, 2016

(Amount in Rs.)

Particulars	31 March, 2016	31 March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax & exceptional items	(8943,24,079)	(2380,49,170)
<u>Adjustment for :</u>		
Interest Income	(361,18,931)	(360,12,600)
Dividend Income	(377,05,927)	(233,66,144)
Interest Expense	8342,93,801	1858,35,109
Depreciation	244,63,544	2,32,988
Operating Profit/(Loss) before working Capital Changes	(1093,91,592)	(1113,59,817)
<u>Adjustment for changes in :</u>		
Increase/ (Decrease) in short Term Provisions	-58,41,057	69,95,175
Increase/ (Decrease) in Trade payables	-281,55,593	1903,61,700
Increase/ (Decrease) in Other Current Liabilities	80,10,566	353,90,491
(Increase)/ Decrease in Long Term Loans and Advances	880,65,147	(3590,65,786)
(Increase)/ Decrease in Trade Receivables	(2534,22,982)	(266,77,182)
(Increase)/ Decrease in Inventory	29,85,053	(1831,82,566)
(Increase)/ Decrease in Short Terms Loans and Advances	(143,80,804)	269,42,974
(Increase)/ Decrease in Other Current Assets	7,48,074	(35,03,005)
Net cash from operating activities	(3113,83,191)	(4240,98,016)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (including in-tangible assets)	(867,29,357)	(2,97,648)
Capital work in Progress	-	(2578,82,609)
Purchase of Non Current Investments	(41730,28,130)	(570,92,211)
Interest Income	335,47,835	360,12,600
Tax deducted on Interest Income	(36,22,134)	45,46,128
Dividend Income	377,05,927	233,66,144
Net cash used in Investing activities	(41921,25,859)	(2513,47,596)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds /(Repayment) of Long-term Borrowings	62748,70,415	20145,25,000
Proceeds /(Repayment) of Long-term Borrowings	(9500,00,000)	(12770,25,000)
Proceeds /(Repayment) of Short Term Borrowings	(10,69,273)	1712,00,000
Interest expenses	(8320,50,539)	(1858,35,109)
Net cash used in financing activities	44917,50,603	7228,64,891
Net Changes in Cash and Cash equivalents during the year	(117,58,447)	474,19,279
Cash and Cash equivalents at the beginning of the year	535,25,245	61,05,966
Cash and Cash equivalents at the end of the year	417,66,798	535,25,245
Net Increase/(Decrease)	(117,58,447)	474,19,279

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and short term investments with an original maturity of three months or less.

As per our report of even date

For V.Sankar Aiyar & Co.

Chartered Accountants

FRN 109208 W

For and on behalf of the Board

Kapil Mehan

Kapil Mehan

Director

DIN: 01215092

Bijay Kumar Biswal

Bijay Kumar Biswal

Chief Financial Officer

N. Suresh Krishnan

N. Suresh Krishnan

Director

DIN: 00021965

Swati Hegde

Swati Hegde

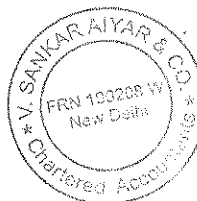
Company Secretary

V. Rethinam

(V. Rethinam)

Partner

M No.10412



Place: New Delhi

Date: 06.05.2016

Place: Gurgaon

Date: 06.05.2016

ZUARI FERTILISERS AND CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. Significant accounting policies

a. Measurement of EBITDA

As permitted by the *Guidance Note*, the Company has chosen to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

b. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Notified Accounting Standards by Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (to the extent notified). The financial statements have been prepared on a going concern basis and under the historical cost convention.

c. Use of estimates

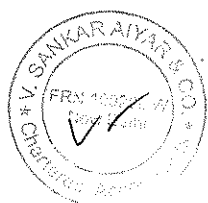
The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d. Tangible fixed assets

The Fixed assets of the company are stated at historical cost less accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

e. Depreciation on tangible fixed assets

- i) The Company has adopted life of certain assets based on technical advice, which are different from the life prescribed in schedule II of the Companies Act, 2013. The life adopted (years) for different assets are as under
- Office Equipments – 5/10/25
 - Computers – 3/7
 - Building – 10/15/30/60
 - Plant & Machinery – ranging between 5 to 40
 - Furniture & Fixture – 5/10
- ii) The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013. Due to application of Schedule II to the Companies Act, 2013, and AS 10 the Company identifies and determines cost of each



ZUARI FERTILISERS AND CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful life; the remaining components are depreciated over the life of the principal asset.

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. They are amortized on useful economic life (three years) as prescribed in Part C of Schedule II to the Companies Act, 2013. All intangible assets are assessed for impairment whenever there is an indication that they may be impaired.

g. Revenue Recognition

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

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

85% of the claim subsidy is paid by Govt. of India "on account" payment on 1st point sale. The balance 15% claim is released subject to State Government Certification of quantity and quality in m-FMS as well as fertilizer receipt confirmation by retail dealers. However, claims for the period April 01, 2015 are yet to be filed.

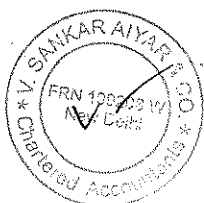
Other interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

h. Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, 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 of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads



ZUARI FERTILISERS AND CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a weighted average basis.

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

i. Foreign currency translation

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. The exchange differences are recognized as income or as expenses in the period in which they arise.

j. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

In respect of gratuity, earned leaves & sick leaves, liability and charge to statement of profit and loss is based on a separate actuarial valuation carried out for this purpose.

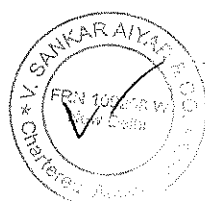
k. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

- l. Provision for Income Tax** comprises of current taxes and also deferred taxes. Provision for current tax is made based on the tax liability computed as per the provisions of Income Tax Act, 1961. Deferred tax liability is recognized for future tax consequences of temporary differences between the tax basis and carrying values of assets and liabilities. Deferred tax assets are recognized if there is reasonable certainty that they will be realized and are reviewed every year. Where there is unabsorbed depreciation or carry forward losses under tax laws, deferred tax asset is recognized to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing differences at the end of the year based on enacted and substantially enacted tax laws.

m. Provisions & Contingent Liabilities

A provision is recognized when the company has a present obligation 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. Contingent liability are not recognized but disclosed in the note.



ZUARI FERTILISERS AND CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2. Other Notes forming part of accounts

2.1 Corporate Information

Zuari Fertilisers and Chemicals Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It was incorporated on 11th August 2009.

2.2 Contingent Liabilities

- a) Claims against the Company, not acknowledged as debts - Rs.86,79,452 (previous year Rs. Nil).
b) Disputed income tax demands relating to A.Y. 2012-13 and 2013-14 under appeal Rs.61,18,433 (previous year Rs. Nil).

2.3 Related party disclosures as per Accounting Standard 18

- a) Holding Company : Zuari Agro Chemicals Limited
b) Subsidiary : Mangalore Chemicals & Fertilizers Limited (wef 18th May, 2015)
c) Fellow Subsidiary : Zuari Agri Sciences Limited (formerly known as Zuari Seeds Limited)
d) Joint venture of Holding Company : Paradeep Phosphates Limited

Transactions with the above parties and closing balances as at March 31, 2016 are as per "Annexure - A"

2.4 Transactions in foreign currency

Nature of Transactions	Amount in Rs.	
	2015-16	2014-15
Subscription Expense	--	88,447
Travelling Expense	4,95,072	3,72,319
Total	4,95,072	4,60,766

2.5 Value of imports on CIF basis during the financial year are in respect of

Particulars	2015-16	2014-15
Raw Materials (Rock phosphate)	23,67,87,382	13,28,41,819

2.6 Imported and indigenous raw materials and components consumed during the financial year (including the trial run period)

Particulars	%	2015-16	%	2014-15
Raw Materials				
Imported	71.27	18,13,81,006	78.26%	11,75,02,604
Indigenous	28.73	7,30,87,388	21.74%	3,26,35,064
Components				
Indigenous	100%	2,88,77,092	100%	11,18,307



ZUARI FERTILISERS AND CHEMICALS LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.7 Basic and diluted earnings per share as per Accounting Standard – 20 (Amt. in Rs.)

S.No.	Particulars	31.03.2016	31.03.2015
a)	Profit / (Loss) for the year	(89,43,24,079)	(23,80,49,170)
b)	Weighted average number of equity shares	153,50,000	153,50,000
c)	Face value of per share	10	10
d)	Basic and diluted earnings per share	(58.26)	(15.51)

2.8 Unhedged foreign currency exposures as at the Balance Sheet date

The details of foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as follows:

Particulars	As at March 31, 2016		As at March 31, 2015	
	In foreign Currency	In Rupees	In foreign Currency	In Rupees
Trade Payables	Nil	Nil	US\$ 25,36,503	15,84,29,925
Advances Recoverable	US\$ 46,86,605	31,05,11,023	US\$ 54,05,615	33,76,34,683

2.9 The net worth of the Company is fully eroded as the accumulated loss of the Company as at the reporting date stands at Rs.1,25,69,21,337 as against the shareholder's fund of Rs.15,35,00,000. The Company has also incurred a net loss of Rs.89,43,24,079 during the year. Further, based on the future profitability projections and financial support from the holding company, the management does not foresee any uncertainty relating to future outcome in terms of the negative networth turning positive. Considering the above, these financial statements have been drawn up on going concern assumption, which, in the opinion of the management, is considered appropriate.



ZUARI FERTILISERS AND CHEMICALS LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.10 Employee benefits (AS-15 Revised)

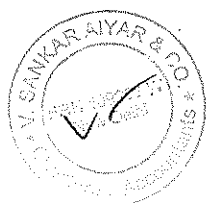
The Company has obtained valuation report from Actuary. The following data is given from report of the Actuary.

(i) Economic Assumptions:

Particulars	2015-16	2014-15
Discount Rate	8%	8%
Future salary increase	9% for first two years and 7.50% thereafter	9%

(ii) Changes in the present value of the defined benefit obligation: (Amt. in Rs.)

		Earned Leave		Gratuity		Sick leave	
		31-03-2016	31-03-2015	31-03-2016	31-03-2015	31-03-2016	31-03-2015
a)	Present value of obligation as at the beginning of the period	43,14,035	6,16,498	26,47,443	5,05,850	13,75,938	2,19,893
b)	Acquisition adjustment	--	--	--	--	--	--
c)	Interest cost	3,45,859	55,485	2,12,247	45,527	1,10,310	17,591
d)	Past service cost	--	--	--	--	--	--
e)	Current service cost	48,336	15,31,980	4,48,953	9,97,836	27,149	4,15,259
f)	Curtailment cost/(Credit)	--	--	--	--	--	--
g)	Settlement cost/(Credit)	--	--	--	--	--	--
h)	Benefits paid	(1,69,872)	(95590)	--	--	--	--
i)	Actuarial (gain)/loss on obligation	(37,45,468)	22,05,662	(18,33,826)	10,98,230	(10,25,174)	7,23,195
j)	Present value of obligation as at the end of period	7,92,890	43,14,035	14,74,817	26,47,443	4,88,223	13,75,938



ZUARI FERTILISERS AND CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(iii) Expenses recognized in statement of profit and loss account: (Amt. in Rs.)

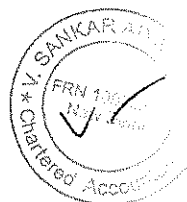
		Earned Leave		Gratuity		Sick leave	
		31-03-2016	31-03-2015	31-03-2016	31-03-2015	31-03-2016	31-03-2015
a)	Current service cost	48,336	15,31,980	4,48,953	9,97,836	27,149	4,15,259
b)	Past service cost	--	--	--	--	--	--
c)	Interest cost	3,45,859	55,485	2,12,247	45,527	1,10,310	17,591
d)	Expected return on plan assets	--	--	--	--	--	--
e)	Curtailement cost / (Credit)	--	--	--	--	--	--
f)	Settlement cost / (credit)	--	--	--	--	--	--
g)	Net actuarial (gain) / loss recognized in the period	(37,45,468)	22,05,662	(18,33,826)	10,98,230	(10,25,174)	7,23,195
h)	Expenses recognized in the statement of profit & losses	(33,51,273)	37,93,127	(11,72,626)	21,41,593	(8,87,715)	11,56,045

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

	2015-16	2014-15
Contribution to Provident Fund	7,35,145	18,76,395
Contribution to Superannuation Fund	Nil	Nil
Contribution to Contributory pension fund	4,06,326	1,69,363
Total	11,41,471	20,45,758

2.11 Capitalisation of Mahad Project – SSP Fertiliser

The date of commencement of commercial production has been taken as 1st June, 2015. Accordingly, directly attributable expenses including trial run production upto May 31st, 2015 have been considered for capitalization. In respect of main lump sum contract involving EPCM Services, Supplies, Civil Construction work and Erection and installation of Plant & Machinery, the management have allocated the costs over identified Plant & Machinery and Building on a reasonable basis duly certified by the technical staff of the Company. Further, the expenses directly attributable to the construction and trial run have been allocated over the different assets comprising of Plant & Machinery and Building.



ZUARI FERTILISERS AND CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.12 Proposed Merger with Zuari Agro Chemicals Limited (ZACL)

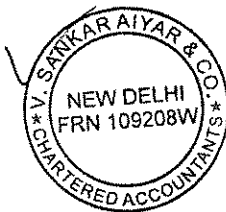
The Board of Directors have passed a resolution in the meeting held on 29.12.2015 for amalgamation of the Company with its holding Company ZACL, which a listed entity. The appointed date for the purpose of proposed amalgamation is April 01, 2015. This is in progress.

2.13 Deferred tax (Liability)/Assets as at 31.03.2016 consists of

Particulars	31.03.2015	For the year	31.03.2016
Book/Tax Depreciation difference	(23,569)	(24,18,64,611)	(24,18,88,180)
Provision for Leave Encashment/Gratuity	26,10,937	(18,10,913)	8,00,024
Brought Forward losses / depreciation	6,30,89,383	45,50,76,022	51,81,65,405
Net Deferred Tax (Liability)/Asset for the year	6,56,76,750	21,14,00,498	27,70,77,248

The net deferred tax asset has not been considered as a matter of prudence.

2.14 Previous year figures have been re-grouped wherever necessary to correspond to current year figures.



Zuari Fertilisers and Chemicals Limited
Notes to financial statements for the year ended 31 March, 2016

(Amount in Rupees)

3. Share Capital	31 March, 2016	31 March, 2015
Authorised :		
2,00,00,000 Equity Shares of Rs. 10/- each	2000,00,000	2000,00,000
2,00,00,000 Preference Shares of Rs. 10/- each	2000,00,000	2000,00,000
	<u>4000,00,000</u>	<u>4000,00,000</u>
Issued		
1,53,50,000 Equity Shares of Rs.10/- each, fully paid-up	1535,00,000	1535,00,000
Subscribed and Paid-up		
1,53,50,000 Equity Shares of Rs.10/- each, fully paid-up	1535,00,000	1535,00,000
Total	<u>1535,00,000</u>	<u>1535,00,000</u>

a) Reconciliation of Shares Outstanding at the beginning and end of the reporting Period

Equity Shares	31 March, 2016		31 March, 2015	
	In Numbers	Rupees	In Numbers	Rupees
At the beginning of the year	153,50,000	1535,00,000	153,50,000	1535,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	153,50,000	1535,00,000	153,50,000	1535,00,000

b) Terms/Rights attached to equity Shares

The Company have only one class of equity shares having a par value of Rs.10/- Share. Each share holder of equity shares is entitled to one vote per share.

c) Details of Share holders holding more than 5% of shares in the Company

Name of Shareholder	31 March, 2016		31 March, 2015	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Zuari Agro Chemicals Ltd. (the Holding Company)	153,50,000	100	153,50,000	100

4. Reserves and Surplus

Surplus / (deficit) in the statement of Profit and Loss

	31 March, 2016	31 March, 2015
Balance as per Last Financial Statements	(3625,97,258)	(1245,48,088)
Net Profit/(Net Loss) for the current year	(8943,24,079)	(2380,49,170)
Total	<u>(12569,21,337)</u>	<u>(3625,97,258)</u>

5. Long-Term Borrowings

	Non-current portion		Current maturities	
	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015
Unsecured				
Inter Corporate Deposit from Zuari Agro Chemicals Ltd. (the Holding Company)	38816,70,415	19574,25,000	15731,25,000	2225,00,000
Secured				
Term Loan - Corporation Bank (By equitable mortgage of land at Mahad & hypothecation of plant, machinery and other movable assets)	1671,43,257	2149,00,000	500,00,000	500,00,000
Term Loan - HDFC Ltd*	7312,50,000	-	1687,50,000	-
Term Loan - IL&FS Financial Services Limited*	9750,00,000	-	2250,00,000	-
Total	<u>57550,63,672</u>	<u>21723,25,000</u>	<u>20168,75,000</u>	<u>2725,00,000</u>

Terms: Inter Corporate Deposits

Interest - Rs.96.36 Crores, 20.00 Crores, 2.25 Crores, 415.2195415 Crores & Rs.11.65 Crores @ 11.25%, 14.25%, 14.00%, 13.25% & 15.00% p.a. respectively

Maturity - Repayable in 26 months

Term Loan from Corporation Bank- Rs. 30.00 Crores (Sanctioned)

Interest @ 12% per annum

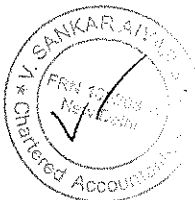
Maturity - Repayable in 24 quarterly installments commencing from December, 2014

* Secured by 100% unconditional and irrevocable corporate guarantee of Zuari Agro Chemicals Ltd (ZACL) and equitable mortgage of specific unencumbered land parcel (at Zuari Nagar in Goa) owned by ZACL, further secured by way of pledge of shares of Mangalore Chemicals and Fertilisers Ltd (MCFL).

Term Loan - Rs. 150.00 Crores each (Sanctioned)

Interest @ 12.50% per annum

Maturity - Repayable in 16 quarterly installments after a moratorium period of one year from the date of first disbursement.



Zuari Fertilisers and Chemicals Limited
Notes to financial statements for the year ended 31 March, 2016

(Amount in Rupees)

6. Provisions	Non - Current		Current	
	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015
Provision for employee benefits				
- Gratuity	-	-	14,74,817	26,47,443
- Leave benefits	-	-	7,92,890	43,14,035
- Sick Leave	-	-	4,88,223	13,75,938
Provision for Excise duty on closing stock	-	-	1,49,439	4,09,010
Total	-	-	29,05,369	87,46,426

7. Short-Term Borrowings	31 March, 2016		31 March, 2015	
	Secured			
Cash Credit - Canara Bank (Against hypothecation of inventories and book debts)		1701,30,727		1712,00,000
Total		1701,30,727		1712,00,000
8. Trade Payable		31 March, 2016		31 March, 2015
Trade payable*		2096,42,932		2377,98,525
		2096,42,932		2377,98,525

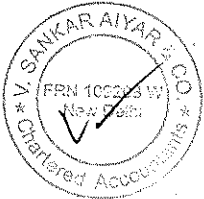
*The Company has not received any information from parties regarding their registration under Micro, small and Medium Enterprises (Development) Act, 2006. In the circumstances, disclosures relating to amount remaining unpaid as at the year end together with interest, if any, payable under the Act are not ascertainable.

9. Other Current Liabilities			
(a) Current maturities of long term borrowings		20168,75,000	2725,00,000
(b) Other Liabilities			
Statutory Dues		645,05,730	264,95,164
Penalty Payable to Competition Commission of India		-	300,00,000
Total		20813,80,730	3289,95,164

10. Fixed Assets
See Annexure

10A. Capital work in progress (At Cost)

Particulars	31 March, 2016		31 March, 2015	
Civil Construction		2545,41,646		2545,41,646
Engineering, Procurement & Construction Management (EPCM)		540,49,093		540,49,093
Plant & Machinery and supplies		2319,40,285		2312,59,066
Pre - operative Expenses				
- Consultancy	253,64,531		253,64,531	
- Consultancy Engineering	147,87,365		147,87,365	
- Travelling & conveyance	52,90,620		52,90,620	
- Communications	1,67,301		1,67,301	
- Interest	945,14,843		838,02,562	
- Trial run loss (upto 31.03.15)	2,65,545		2,65,545	
- Trial run loss (01.04.15 to 31.05.15)	3,59,176		-	
- Insurance	35,90,852		35,90,852	
- Rates & Taxes	37,50,673		33,69,193	
- Rent	5,00,800		4,86,800	
- Others	51,94,075	1537,85,781	49,50,372	1420,75,141
		6943,16,805		6819,24,946
Less: Transferred to Fixed Assets		6943,16,805		-
Total		-		6819,24,946



Zuari Fertilisers and Chemicals Limited
Notes to financial statements for the year ended 31 March, 2016
(Amount in Rupees)
10B. Trial Run Expenditure
Raw Material Consumed:

Opening Stock	302,12,423			
Add: Purchases and expenses thereon	1437,04,021		1806,17,754	
Less: Closing Stock - transfer to Statement of Profit & Loss	<u>1426,06,514</u>	313,09,930	<u>302,12,423</u>	1504,05,331
Opening Stock - Semi Finished		937,40,212		
- Finished		570,38,233		
Stores & Consumables Consumed:				
Opening Stock	21,91,698			
Purchases	42,90,604		86,38,215	
Less: Closing Stock	<u>33,47,564</u>	31,34,738	<u>21,91,698</u>	64,46,517
Contract Labour Charges		23,60,437		118,24,079
Electricity & Water		6,96,662		132,25,587
Freight outward		12,03,410		43,53,600
Other Expenses		<u>15,472</u>		<u>24,59,624</u>
Cost of Finished Materials Sold			1894,99,094	1887,14,738
Less:				
Sales - GSSP				242,29,920
Subsidy				134,40,828
Closing Stock - Semi Finished as on 31.05.2015		953,34,610		937,40,212
- Finished as on 31.05.2015		938,05,308		570,38,233
				1884,49,193
			<u>3,59,176</u>	<u>-2,65,545</u>

Net Trial run loss (carried to capital work in progress)
11. Non-Current Investments
Non Trade - at cost
Equity instruments - Quoted

		31 March, 2016	31 March, 2015
6,28,43,211 Equity shares of Rs.10/- each, fully paid up of Mangalore Chemicals and Fertilisers Limited (previous year 1,95,14,211)* see note below		51852,01,580	10121,73,450
		<u>Total</u>	<u>10121,73,450</u>
		25294,39,243	17250,56,252

***Market value of quoted investments**
Note:

Keeping the strategic nature of investment, the Company in agreement with UB Group, launched a competing open offer in May, 2014 as per SEBI (Substantial Acquisition of Shares and Takeover) Regulations. Under this open offer, which was completed in November, 2014, the Company acquired 42,424 equity shares only. In order to increase and consolidate its shareholding, the Company launched another open offer in December, 2014 and acquired 4,33,29,000 equity shares. The tendering period for this open offer commenced on 21st April, 2015 and got completed by 18th May, 2015. Under the regulations, the Company is necessarily required to incur expenses in the nature of fee to SEBI, fee to Competition Commission of India, fee to Merchant bankers, mandatory advertisement etc. which are not left to the discretion of the acquirer. Hence the expenditure aggregating to Rupees 15,28,10,811 relating to the first & second open offer has been treated as cost of investment. In the opinion of the management, the diminution in value is considered temporary and therefore no provision is considered necessary for fall in the market value of the investment.

12. Loans and Advances

	31 March, 2016		31 March, 2015	
	Non Current	Current	Non Current	Current
Unsecured, considered good				
Capital Advances	604,51,563	-	818,27,940	-
Security Deposit	6,85,727	12,000	4,74,790	25,000
Inter Corporate deposit - Mcdowells Holdings Limited		2000,00,000		2000,00,000
- Purpose: Financial Assistance to the body Corporate				
Income tax deducted at source - recoverable or adjustable	81,05,612	-	44,83,478	-
Other advances recoverable in cash or in kind:		237,56,402		93,62,598
Expenses on second open offer relating to acquisition of MCFL equity shares			397,76,048	-
Expenditure on proposed project at Ras-Al-Khaimah			3376,34,683	-
	<u>3105,11,023</u>		<u>3376,34,683</u>	
Total	<u>3797,53,925</u>	<u>2237,68,402</u>	<u>4641,96,939</u>	<u>2093,87,598</u>

Note:

- (i) The Company is planning to set up a phosphatic fertilizer plant in Ras-Al-Khaimah (RAK) in United Arab Emirates in collaboration with Ras Al Khaimah Maritime City Free Zone Authority. Expenditure on consultancy and related expenditure amounting to Rs. 31,05,11,023/- have been shown under loans and advances, pending decision on issue of shares to the Company in the proposed Joint Venture project.
- (ii) Though the ICD with Mcdowells Holdings Limited (MHL) has been periodically extended at their request, the Company is hopeful of recovering the outstanding balance and hence considered good and recoverable.
- (iii) Particulars of loans and investments required under section 186 (4) of the Companies Act, 2013 - see note 11 & 12 above.



Zuari Fertilisers and Chemicals Limited

Notes to financial statements for the year ended 31 March, 2016

(Amount in Rupees)

12A. Inventories (valued at lower of cost or net realizable value)

	31 March, 2016	31 March, 2015
Closing Stock		
- Raw Materials	1247,46,169	300,07,201
- Packing Materials	29,18,306	2,05,222
- Stock in Process	314,16,876	937,40,212
- Finished Stock	190,14,034	570,38,233
- Stores & Consumables	21,02,128	21,91,698
	<u>1801,97,513</u>	<u>1831,82,566</u>

12B. Trade Receivable

(Unsecured - Considered Good)

- Outstanding for a period exceeding six months from the due date		
- Accounts receivable		
- Subsidy receivable (for the period upto 30.09.2015 - refer note 1(g))	536,90,809	
- Others		
- Accounts receivable	997,81,906	132,36,354
- Subsidy receivable	1266,27,449	134,40,828
	<u>2801,00,164</u>	<u>266,77,182</u>

13. Cash and cash equivalents

	31 March, 2016		31 March, 2015	
	Non-Current	Current	Non-Current	Current
Cash on Hand	-	21,675	-	-
Balances with banks				
- In Current Accounts*	-	417,45,123	-	533,50,245
- In deposit accounts with original maturity less than 3 months (under lien)	-	-	-	1,75,000
Total	<u>-</u>	<u>417,66,798</u>	<u>-</u>	<u>535,25,245</u>

14. Other Current Assets

	31 March, 2016	31 March, 2015
Interest accrued and due on inter Corporate Deposit	53,26,027	27,54,931
Insurance Claims Receivable	-	7,48,074
Total	<u>53,26,027</u>	<u>35,03,005</u>



Zuari Fertilisers and Chemicals Limited
Notes to financial statements for the year ended 31 March, 2016

(Amount in Rupees)

31 March, 2016 31 March, 2015

15. Revenue from operation

Sale of products		
- SSP Fertiliser	2830,48,083	-
Subsidy on sale of fertiliser	1668,77,430	-
	<u>4499,25,513</u>	<u>-</u>
Revenue from operations (gross)		
Less: Excise Duty	28,57,781	
Revenue from operations (net)	<u>4470,67,732</u>	<u>-</u>

16. Other Income
(Refer Note No. 1 (g) for revenue recognition)

Interest Income	361,18,931	360,12,600
Excess provision written back	50,260	61,071
Dividend income	377,05,927	233,66,144
Foreign Exchange gain (net)	10,09,355	19,11,813
Scrap Sale	1,19,317	11,517
Miscellaneous income	20,99,398	5,46,109
Notice Period recovery	-	2,02,142
Interest on Income tax refund	-	4,52,192
Total	<u>771,03,188</u>	<u>625,63,588</u>

17. Cost of Raw Materials consumed

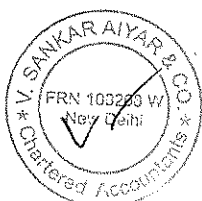
Stock as on 01.06.2015 (after Trial Run)	1426,06,514	-
Add: Purchases	2052,98,119	-
Less: Closing Stock	1247,46,169	2231,58,464
Total	<u>2231,58,464</u>	<u>-</u>

18. (Increase) / Decrease in Inventories

Stock as on 01.06.2015 (after Trial Run)		
Finished goods		
- SSP (Powder/Granulated)	938,05,308	-
Work in progress		
- SSP (Green)	953,34,610	1891,39,918
Less :Closing Stock		
Finished goods		
- SSP (Powder/Granulated)	190,14,034	-
Work in progress		
- SSP (Green)	314,16,876	504,30,910
(Increase) / Decrease In Stocks	<u>1387,09,008</u>	<u>-</u>

19. Employee Benefits expense
(Refer Note No. 1 (j) for employee benefits)

Salaries, wages and bonus	251,85,948	302,20,482
Contribution to provident and other funds	12,47,482	10,86,914
Gratuity (refer note 2.10)	-11,72,626	21,41,593
Staff welfare	2,74,354	1,22,273
	<u>255,35,158</u>	<u>335,71,262</u>



Zuari Fertilisers and Chemicals Limited

Notes to financial statements for the year ended 31 March, 2016

20. Other Expenses

Packing Materials Consumed	149,89,973	-
Consumption of Stores & Spares	107,52,381	-
Power & Fuel	179,67,690	-
Contract Labour charges	197,42,889	-
Insurance	7,27,315	-
Project Expenses written off (shelved Projects)	3,050	283,13,432
Rent	45,78,451	13,95,393
Legal and Professional charges	128,20,314	155,64,888
Security Charges	23,63,422	-
Unloading/ Loading Charges	28,19,558	-
JCB Hire Charges	13,51,748	-
Travelling & Conveyance	44,01,276	16,47,334
Payment to Auditors (refer note below)	5,02,720	2,80,000
Interest on late payment of statutory dues	5,87,997	-
Miscellaneous expenses	54,29,818	20,18,071
Fees & Stamp Duty on increase of Authorised Share Capital	-	17,54,281
Penalty to Competition Commission of India	-	300,00,000
Total	990,38,602	809,73,399

Payments to the Auditors (includes Service Tax paid during the year)

Audit Fee (includes Rs.1,43,125 for special purpose audit)	4,16,845	2,00,000
Tax Audit Fee	45,800	80,000
Certification Fee	40,075	-
Total	5,02,720	2,80,000

21. Depreciation and amortization expense

Depreciation of tangible assets	244,63,544	2,29,799
Amortisation of Intangible assets	-	3,189
Total	244,63,544	2,32,988

22. Finance Costs

Interest on loans		
- Term Loans	2781,31,980	-
- Working capital borrowings	207,84,333	-
- Inter-corporate deposits	5353,77,488	1858,35,109
Total	8342,93,801	1858,35,109

For V.Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

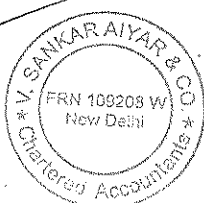
For and on behalf of the Board

V. Rethinam
Partner

M No.10412

Place: New Delhi

Date: 06.05.2016



Kapil Mehan
Kapil Mehan

Director

DIN: 01215092

Bijay Kumar Biswal
Bijay Kumar Biswal

Chief Financial Officer

Place: Gurgaon

Date: 06.05.2016

N. Suresh Krishnan

N. Suresh Krishnan

Director

DIN: 00021965

Swati Hegde

Swati Hegde

Company Secretary

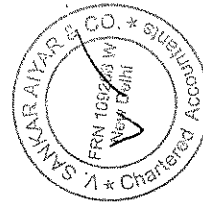
Zuari Fertilisers and Chemicals Limited
Notes to financial statements for the period ended 31 March, 2016

Annexure

10. Fixed Assets (Refer Note 1 (d), (e) & (f))

(Amount in Rs.)

Particulars	Tangible							Intangible		Grand Total
	Computers	Office & Lab Equipments	Plant & Machinery	Furniture & Fixtures	Building	Land Leasehold	Land Freehold	Total	Computer Software	
Cost										
As at 01.04.2015	7,35,645	1,59,425	-	56,658	-	388,25,350	362,28,730	760,05,808	12,000	760,17,808
Additions	17,45,084	7,95,820	3543,96,223	1,09,360	4116,07,815	-	-	7686,54,302	-	7686,54,302
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31.03.2016	24,80,729	9,55,245	3543,96,223	1,66,018	4116,07,815	388,25,350	362,28,730	8446,60,110	12,000	8446,72,110
Depreciation										
Upto 31.03.2015	5,14,874	84,048	-	9,960	-	-	-	6,08,882	12,000	6,20,882
Charge for the year	6,08,369	54,787	149,26,695	22,828	76,76,166	11,74,699	-	244,63,544	-	244,63,544
Written back	-	-	-	-	-	-	-	-	-	-
As at 31.03.2016	11,23,243	1,38,835	149,26,695	32,788	76,76,166	11,74,699	-	250,72,426	12,000	250,84,426
Net Block										
As at 31.03.2016	13,57,486	8,16,410	3394,69,528	1,33,230	4039,31,649	376,50,651	362,28,730	8195,87,684	-	8195,87,684
As at 31.03.2015	2,20,771	75,377	-	46,698	-	388,25,350	362,28,730	753,96,926	-	753,96,926



Related Party Transaction As Per Accounting Standard 18 For Zuari Fertilisers and Chemicals Limitec

(Amount in Rs.)

Following transactions were carried out with related parties in the ordinary course of business for the Period ended 31st March' 2011

Sl. No	Transaction Details	2015-16				2014-15			
		Holding Company	Subsidiary	Fellow Subsidiary	Joint Venture of Holding Company	Holding Company	Subsidiary	Fellow Subsidiary	Joint Venture of Holding Company
1	Payment made on their behalf -Zuari Agro Chemical Limited -Zuari Agri Sciences Limited			83,000		69,435			
2	Payment made on our behalf -Zuari Agro Chemicals Limited	4,06,165				150,18,162			
3	Receipt of Inter-corporate Deposits / loans -Zuari Agro Chemicals Limited	32748,70,415				8426,00,000			
4	Repayment of Inter-corporate Deposits / loans -Zuari Agro Chemical Limited					1455,00,000			
5	Interest Expenses -Zuari Agro Chemical Limited	5468,11,075				1820,88,937			
6	Sale of Fertilisers -Zuari Agro Chemical Limited (excluding Sales Tax) -Paradeep Phosphates Limited (excluding Sales Tax)	2793,59,571			36,86,423	242,29,920			
7	Purchase of Raw Materials -Zuari Agro Chemical Limited	1026,86,511							
8	Professional & Technical Services Received -Zuari Agro Chemical Limited	174,68,892							
9	Dividend Received -Mangalore Chemicals & Fertilisers Limitec		377,05,927						

Closing Balances as at March 31, 2016

Sr.No.	Name of Company	Dr. / Cr.	Amount Rs.
1	Zuari Agro Chemicals Limited	Cr.	220,19,017
2	Zuari Agro Chemicals Limited (Sales)	Dr.	959,11,156.00
3	Zuari Agro Chemicals Limited - ICD	Cr.	54547,95,415
4	Zuari Agro Chemicals Limited - Purchase	Cr.	1005,35,777
5	Zuari Agri Sciences Limited	Cr.	83,000
6	Mangalore Chemicals & Fertilisers Limitec		NIL
7	Paradeep Phosphates Limited	Dr.	38,70,750

