

INDEPENDENT AUDITOR'S REPORT

To

**The Members of Zuari Agri Sciences Limited
(Formerly Zuari Seeds Limited)****Report on the Financial Statements**

We have audited the accompanying financial statements of Zuari Agri Sciences Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. 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 audit opinion on the standalone financial statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2 to the financial statements, as at March 31, 2015, the Company has accumulated losses of Rs. 260,881,595 and its net worth has been substantially eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its shareholders. The mitigating factors have been more fully explained in note 2 to the accompanying financial statements, in view of which the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values of balance sheet. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("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) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) The going concern matter described under Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (g) 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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W



per **Shankar Srinivasan**

Partner

Membership Number: 213271

Place of Signature: Chennai

Date: May 07, 2015



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

Re: Zuari Agri Sciences Limited

(Formerly Zuari Seeds Limited)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) Company's inventory mainly consists of seeds. Seeds are of unique and specialized nature, and as informed to us, in case of purchase and sale of seeds, it is not possible to make comparison of prices with the market rates or with purchases from other parties. Read with above, in our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a large number of cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

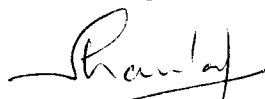


S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (c) According to the records of the Company, there are no dues of sales-tax, income tax and service tax which have not been deposited on account of any dispute.
- (d) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash loss during the year. In the immediately preceding financial year, the Company had incurred cash loss.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

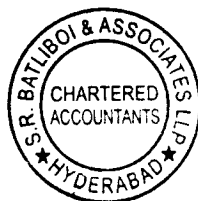


per Shankar Srinivasan
Partner

Membership Number: 213271

Place of Signature: Chennai

Date: May 07, 2015



- (ii) Goodwill is amortized over a period of twenty years, subject to available surplus for the year before amortization of goodwill, based on the order of Honorable High Court of Bombay at Panaji (Goa).

(g) Inventories

Raw materials (raw seeds), stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the processing 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 is determined on a Moving Weighted average basis.
Work-in-process and finished goods	Lower of cost and net realizable value. Cost includes Purchase price and a proportion of overheads based on actual quantity processed. Cost is determined on a moving weighted average basis.

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

(h) Revenue Recognition

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

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which usually occurs on delivery of goods.

Sale of Services

Revenue is recognized as per the terms of contracts with customer when the related services are performed.

Interest

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

(i) Foreign currency translation

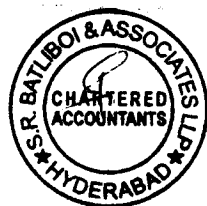
Foreign currency transactions

(i) Initial recognition:

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

(ii) Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.



(iii) Exchange differences:

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(j) Retirement and other employee benefits

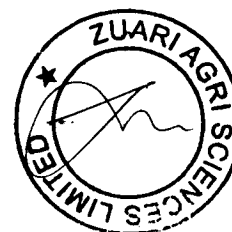
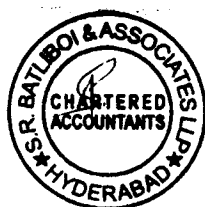
- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.
- (ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of each reporting year.
- (iii) The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability..
- (iv) The Company has approved Superannuation Fund and Contributory Pension Fund which are defined contribution schemes and the contributions paid to Life Insurance Corporation of India (LIC) against the insurance policy taken with them are charged to Statement of Profit and Loss. The Company does not have any other obligation other than the contributions paid/payable to LIC.
- (v) Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

(k) Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.



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

(l) Leases

Leases, where the lessor effectively retains substantially all the risks and rewards incidental to ownership 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.

(m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

(n) Provisions

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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(o) Contingent Liabilities

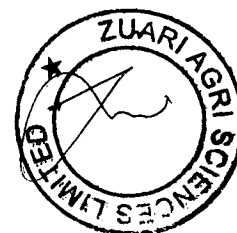
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an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

(p) Cash and cash equivalents

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

(q) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected 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.



3 Share Capital

	March 31, 2015	March 31, 2014
Authorised Shares		
22,500,000 (March 31, 2014 : 22,500,000) equity shares of Rs. 10 each	225,000,000	225,000,000
7,500,000 (March 31, 2014 : 7,500,000) 12% redeemable preference shares of Rs. 10 each	75,000,000	75,000,000
Issued, subscribed and fully paid-up shares		
20,674,162 (March 31, 2014: 20,674,162) equity shares of Rs. 10 each	206,741,620	206,741,620
7,500,000 (March 31, 2013: 7,500,000) 12% redeemable preference shares of Rs. 10 each	75,000,000	75,000,000
Total issued, subscribed and fully paid-up share capital	281,741,620	281,741,620

a) Reconciliation of the shares outstanding at the beginning and at the end of the period
Equity Shares

	March 31, 2015		March 31, 2014	
	No	Rs	No	Rs
At the beginning of the year	20,674,162	206,741,620	14,174,162	141,741,620
Equity shares issued during the year	-	-	6,500,000	65,000,000
Outstanding at the end of the year	20,674,162	206,741,620	20,674,162	206,741,620

Redeemable preference shares

	March 31, 2015		March 31, 2014	
	No	Rs	No	Rs
At the beginning of the year	7,500,000	75,000,000	-	-
Preference shares issued during the year	-	-	7,500,000	75,000,000
Outstanding at the end of the year	7,500,000	75,000,000	7,500,000	75,000,000

b) Terms/right attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. 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 share holders.

c) Terms of redemption of redeemable preference shares

The company has only one class of preference shares having a par value of Rs. 10 per share. The said preference shares shall be redeemable on the expiry of ten years from the date of allotment with an option to the Company/preference shareholders to redeem the same any time earlier. In the event of liquidation of the company, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

d) Shares held by holding company

Out of equity shares and preference shares issued by the company, shares held by its holding company along, with nominees are as below

	March 31, 2015	March 31, 2014
Zuari Agro Chemicals Limited (Formerly known as Zuari Holding Limited), the Holding Company		
20,674,162 (March 31, 2014: 20,674,162) Equity shares of Rs 10 each fully paid	206,741,620	206,741,620
7,500,000 (March 31, 2014: 7,500,000) Redeemable Preference shares of Rs.10 each	75,000,000	75,000,000

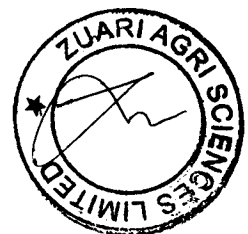
e) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	March 31, 2015		March 31, 2014	
	No	% holding in the class	No	% holding in the class
Equity shares of Rs. 10 each fully paid				
Zuari Agro Chemicals Limited	20,674,081	99.99%	20,674,081	99.99%
Preference shares of Rs.10 each fully paid				
Zuari Agro Chemicals Limited	7,500,000	100.00%	7,500,000	100.00%

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial.

4 Reserves and surplus

	March 31, 2015	March 31, 2014
Deficit in the statement of profit and loss		
Balance as per last financial statements	(258,196,376)	(167,878,621)
Less: Adjustment for Carrying value of fixed assets having nil useful life as per Schedule II of Companies Act, 2013 (refer note 2.1)	(1,149,100)	-
Net Profit/(Loss) for the year	(1,536,119)	(90,317,755)
Net Deficit in the statement of profit and loss	(260,881,595)	(258,196,376)
Total reserves and surplus	(260,881,595)	(258,196,376)



5 Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term Loans				
Rupee Term loans from Bank (secured)	-	-	-	24,013,187
Unsecured loan	-	75,000,000	75,000,000	-
	-	75,000,000	75,000,000	24,013,187
Amount disclosed under the head				
Other current liabilities (refer note 8.1)	-	-	(75,000,000)	(24,013,187)
	-	75,000,000	-	-

Indian rupee term loan from bank carries interest @ BPLR plus 1% which is 15.50% for the current year. The loan is repayable in 10 half yearly instalments along with interest, from the date of loan (April 7, 2010). The loan is secured by equitable mortgage of land, hypothecation of stock in trade, book debt, plant and machinery and vehicles, both present and future. The loan is also secured by corporate guarantee provided by Zuari Global Limited. The loan has been repaid in the current year.

Unsecured loan from Zuari Agro Chemicals Limited was repayable in 3 equal quarterly instalments commencing from March 2015. Pursuant to the amendment to agreement entered into between the the Company and Zuari Agro Chemicals Limited on September 1, 2013, and conversion of loan to the extent of Rs. 7.5 crore, the balance unsecured loan from Zuari Agro Chemicals Limited is repayable in 2 instalments, to the extent of Rs. 2.5 Crore in June 2015, and Rs. 5 Crore in September 2015. The loan carries interest @ SBI base rate plus 3.5% per annum.

6 Other long-term liabilities

	March 31, 2015	March 31, 2014
Trade Deposits	20,589,436	19,294,436
	20,589,436	19,294,436

7 Short-term borrowings

	March 31, 2015	March 31, 2014
Cash credit from banks (secured)	73,123,828	71,287,093
Short Term loan from Banks (unsecured)	75,000,000	-
	148,123,828	71,287,093

Cash credit from banks is secured by equitable mortgage of, land, hypothecation of stock in trade, book debt, plant and machinery and vehicles, both present and future. The cash credit is repayable on demand and carries interest of base rate plus 2.5%. These cash credit is also secured by corporate guarantee provided by Zuari Agro Chemicals Limited (Previous Year : Corporate Guarantee provided by Zuari Global Limited)

HDFC Bank Term loan is unsecured and carries an interest rate of 11.25%

8 Trade payables

	March 31, 2015	March 31, 2014
Trade Payables	112,101,616	176,341,424
	112,101,616	176,341,424

8.1 Other current liabilities

Current maturities of long-term borrowings (refer note 5)		
Interest accrued and not due on borrowings	75,000,000	24,013,187
Interest accrued and due on borrowings	716,610	-
Advances from customers	22,318,925	14,203,627
Other Liabilities	128,731,115	89,957,533
Statutory Dues Payable	2,285,392	1,025,460
Others	50,938	229,025
	229,102,980	129,428,832

9 Provisions

	Short Term	
	March 31, 2015	March 31, 2014
Provision for employee benefits		
Provision for gratuity (refer note 24)	2,003,189	1,899,557
Provision for leave benefits	6,380,102	5,178,032
Other provisions	(A)	8,383,291
Provision for taxation	(B)	2,998
	(A)+(B)	8,386,289



10 Tangible Assets

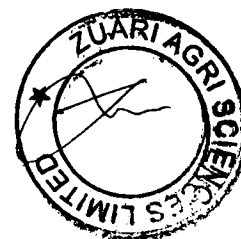
	Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost							
As at April 1, 2013	517,724	6,248,911	37,241,968	2,378,689	7,499,387	627,498	54,514,177
Additions	-	-	1,356,069	91,160	-	-	1,447,229
Disposals	-	-	431,428	-	1,185,065	-	1,616,493
As at March 31, 2014	517,724	6,248,911	38,166,609	2,469,849	6,314,322	627,498	54,344,913
Additions	-	-	71,366	-	500,000	-	571,366
Disposals	-	-	-	-	-	-	-
As at March 31, 2015	517,724	6,248,911	38,237,975	2,469,849	6,814,322	627,498	54,916,279
Depreciation							
As at April 1, 2013	-	2,074,327	18,725,672	1,395,524	6,543,558	627,498	29,366,579
Charge for the year	-	208,714	1,882,101	188,878	406,723	-	2,686,416
Disposals	-	-	228,829	-	1,117,038	-	1,345,867
As at March 31, 2014	-	2,283,041	20,378,944	1,584,402	5,833,243	627,498	30,707,128
Charge for the year	-	208,087	3,569,403	370,996	299,660	-	4,448,146
Adjusted against retained earnings	-	-	1,062,270	74,637	12,193	-	1,149,100
Disposals	-	-	-	-	-	-	-
As at March 31, 2015	-	2,491,128	25,010,617	2,030,035	6,145,096	627,498	36,304,374
Net Block							
As at March 31, 2014	517,724	3,965,870	17,787,665	885,447	481,079	-	23,637,785
As at March 31, 2015	517,724	3,757,783	13,227,358	439,814	669,226	-	18,611,905

Intangible Assets

(Amount in Rs.)

	Goodwill (as per scheme of amalgamation)*	BT Cotton (Internally generated)	Bajra (Externally generated)	Total
Gross block	57,657,464	23,170,139	4,134,167	84,961,770
As at April 1, 2013	-	-	-	-
Addition	-	-	-	-
As at March 31, 2014	57,657,464	23,170,139	4,134,167	84,961,770
Additions	-	-	-	-
As at March 31, 2015	57,657,464	23,170,139	4,134,167	84,961,770
Amortization				
As at April 1, 2013	17,297,238	18,296,530	1,653,668	37,247,436
Charge for the year	-	1,670,951	826,834	2,497,785
As at March 31, 2014	17,297,238	19,967,481	2,480,502	39,745,221
Charge for the year	-	1,670,951	826,834	2,497,785
As at March 31, 2015	17,297,238	21,638,432	3,307,336	42,243,006
Net block				
As at March 31, 2014	40,360,226	3,202,658	1,653,665	45,216,549
As at March 31, 2015	40,360,226	1,531,707	826,831	42,718,764

* Goodwill, which arose on account of merger with Greentech Seeds International Pvt Limited with the Company, has been amortized during the year, pursuant to the scheme of Amalgamation approved by High Court of Bombay at Panaji(Goa). 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.



11 Loans and advances

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Advances recoverable in cash or kind				
Unsecured				
- considered good	-	-	8,500,280	18,856,542
- considered doubtful	250,000	4,670,417	-	-
Less: Provision for doubtful advances	(250,000)	(4,670,417)	-	-
(A)	-	-	8,500,280	18,856,542
Other loans and advances				
Advance taxes	2,363,911	100,479	-	-
Loans to employees	-	-	-	18,946
Deposits - Others	2,115,580	1,971,580	-	-
Prepaid insurance and expense	-	-	1,127,827	1,002,742
(B)	4,479,491	2,072,059	1,127,827	1,002,742
(A+B)	4,479,491	2,072,059	9,627,607	19,878,230

12.1 Trade receivables (Unsecured, considered good unless stated otherwise)

	March 31, 2015	March 31, 2014
Outstanding for a period exceeding six months		
Secured, considered good	6,762,516	3,434,358
Unsecured, considered good	48,276,345	30,070,469
Considered Doubtful	35,676,341	26,909,396
	90,715,202	60,414,223
Less: Provision for doubtful receivables	35,676,341	26,909,396
(A)	55,038,861	33,504,827
Other receivables		
Secured, considered good	13,411,919	6,734,328
Unsecured, considered good	90,364,451	82,303,580
(B)	103,776,370	89,037,908
(A+B)	158,815,231	122,542,735

12.2 Other assets (Unsecured, considered good unless stated otherwise)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Non-current bank balances (refer note 14)	1,247,417	1,247,417	-	-
(A)	1,247,417	1,247,417	-	-
Others				
Interest accrued on deposits	-	-	47,491	47,491
(B)	-	-	47,491	47,491
(A+B)	1,247,417	1,247,417	47,491	47,491

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

	March 31, 2015	March 31, 2014
Raw seeds (refer note 17)	44,108,213	60,954,808
Work in process of seeds (refer note 18)	146,119,908	95,013,913
Finished seeds (refer note 18)	41,578,459	55,467,664
Packing materials and chemicals (refer note 17)	26,803,374	27,696,541
	258,609,954	239,132,926

Based on the germination tests carried out by the company, for the identified batches of finished seeds that do not pass the minimum germination levels as required, the same has been written off in the books of account.

14 Cash and bank balances

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Cash and Cash equivalents				
Balance with banks:				
On current accounts	-	-	44,932,088	48,188,802
Cash on hand	-	-	74,226	13,622
	-	-	45,006,314	48,202,424
Other bank balances				
Margin money deposit	1,247,417	1,247,417	-	-
	1,247,417	1,247,417	-	-
Amount disclosed under Other assets- non-current (refer note 12.2)	(1,247,417)	(1,247,417)	-	-
	-	-	45,006,314	48,202,424



15 Revenue from operations

	For the year ended March 31, 2015	For the year ended March 31, 2014
Sale of Seeds	581,514,493	566,822,978
Less: Discount on Sales	113,259,841	110,258,562
	468,254,652	456,564,416
Other Operating revenue		
Sale of Scrap	3,327,470	1,195,864
Business Support Services	20,144,465	-
Revenue from operations	491,726,587	457,760,280

Details of Products Sold

	For the year ended March 31, 2015	For the year ended March 31, 2014
Seeds	468,254,652	456,564,416
	468,254,652	456,564,416

16 Other income

	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Income		
on bank deposits	108,828	162,797
Gain on foreign exchange fluctuation(net)	192,064	653,947
Insurance claim	-	538,650
Miscellaneous Income	1,679,113	691,383
Gratuity written back	-	428,820
Liabilities/Unclaimed balances no longer required written back	10,386,812	-
	12,366,817	2,475,597

17 Cost of raw materials consumed

	For the year ended March 31, 2015	For the year ended March 31, 2014
Raw materials at the beginning of the year	88,651,349	88,651,349
Add: Purchases	294,395,772	354,236,794
	383,047,121	449,348,117
Less: Raw materials at the end of the year	70,911,587	88,651,349
Cost of raw materials consumed	312,135,534	360,696,768

Details of raw materials consumed

	For the year ended March 31, 2015	For the year ended March 31, 2014
Raw seeds	289,135,636	330,503,729
Packing materials	18,910,952	25,016,491
Chemicals	4,088,946	5,176,548
	312,135,534	360,696,768

Details of raw materials at the end of the year

	For the year ended March 31, 2015	For the year ended March 31, 2014
Raw seeds	44,108,213	60,954,808
Packing materials	25,611,660	26,467,580
Chemicals	1,191,714	1,228,961
	70,911,587	88,651,349

18 (Increase) in inventories of finished seeds and work-in-progress

	For the year ended March 31, 2015	For the year ended March 31, 2014
Inventories at the end of the year		
Work in process of seeds	146,119,908	95,013,913
Finished Seeds	41,578,459	55,467,664
	187,698,367	150,481,577
Inventories at the beginning of the year		
Work in process of seeds	95,013,913	17,802,481
Finished Seeds	55,467,664	92,488,122
	150,481,577	109,903,014
	(37,216,790)	(40,578,563)



19 Employee benefits expense

	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries, bonus and allowances	43,467,691	38,661,688
Contribution to provident and other funds	2,381,221	2,239,297
Gratuity expenses	494,680	-
Staff welfare expenses	828,481	891,290
	<u>47,172,073</u>	<u>41,792,275</u>

20 Other Expenses

	For the year ended March 31, 2015	For the year ended March 31, 2014
Process expenses	15,730,396	14,391,611
Foundation Seed expenses	34,848	2,640,011
Rent (refer note 26)	12,328,109	13,206,609
Rates and Taxes	1,310,880	1,511,896
Insurance	974,688	1,073,036
Power and fuel	2,806,458	2,960,958
Repairs and maintenance		
Plant and machinery	1,242,584	1,766,651
Communication expenses	1,533,896	1,880,833
Travelling expenses	14,565,550	16,793,776
Legal and professional charges	4,099,362	1,542,822
Payment to auditor (refer note below)	393,260	393,260
Sales promotion expenses	10,491,059	13,814,621
Royalty on Sales(net)	29,224,581	9,469,961
Outward freight and handling	31,456,644	37,435,122
Bad debts and advances written off	8,071,103	-
Less adjusted against provision	(8,071,103)	-
Provision for doubtful receivable/advances (net)	12,417,631	16,829,194
Loss on sale of fixed asset	-	112,925
Research and development expenses (refer note 25)	4,090,176	4,095,260
Other miscellaneous expenses	2,585,242	2,730,567
	<u>145,344,364</u>	<u>148,652,121</u>

Payment to auditor

	For the year ended March 31, 2015	For the year ended March 31, 2014
As auditor:		
Audit Fees	337,080	337,080
Tax Audit Fees	56,180	56,180
	<u>393,260</u>	<u>393,260</u>

21 Depreciation and amortization expense

	For the year ended March 31, 2015	For the year ended March 31, 2014
Depreciation of tangible assets	4,448,146	2,686,416
Amortization of intangible assets	2,497,785	2,497,785
	<u>6,945,931</u>	<u>5,184,201</u>

22 Finance costs

	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest to Banks		
On term loans	16,200,282	26,726,254
On cash credit	9,372,906	6,771,816
Interest to Others	4,725,381	392,000
Bank Charges	949,842	916,760
	<u>31,248,411</u>	<u>34,806,830</u>



23 Earnings per share (EPS)

The following reflects the profit / (loss) and share data used in the basic and diluted EPS computations

	For the year ended March 31,2015	For the year ended March 31, 2014
Profit / (Loss) after tax	(1,536,119)	(90,317,755)
Net profit/(loss) for calculation of basic and diluted EPS	(1,536,119)	(90,317,755)
Considered for calculation of basic and diluted EPS		
Weighted average number of equity shares - Basic and diluted EPS (No's)	20,674,162	14,281,011
Earnings per share - Basic and Diluted	(0.07)	(6.32)

24 Gratuity and other post employment benefit plans

The Company has a defined benefit gratuity plan for its employees. Under the plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 day's last drawn basic salary for each completed year of service or part thereof in excess of six months. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the Balance Sheet for the gratuity plans.

Statement of Profit and Loss

Net employee benefit expense (recognised in employee benefits expenses/gratuity written back) in the statement of Profit and Loss

	March 31,2015	March 31, 2014
Current service cost	744,232	581,378
Interest cost on benefit obligation	176,854	201,446
Expected return on plan assets	(45,598)	(43,416)
Net actuarial (gain) / loss	(380,808)	(1,168,228)
Net benefit expense	494,680	(428,820)
Actual Return on Plan Assets		

Balance sheet

Benefit asset/liability

	March 31,2015	March 31, 2014
Present value of defined benefit obligation	2,643,584	2,317,493
Fair value of plan assets	(640,395)	(417,936)
Plan (Asset) / liability	2,003,189	1,899,557

Changes in the present value of the defined benefit obligation are as follows:

	March 31,2015	March 31, 2014
Opening defined benefit obligation	2,317,493	3,087,937
Interest cost	176,854	201,446
Current service cost	744,232	581,378
Benefits paid	(213,638)	(420,273)
Actuarial (gains) / losses on obligation	(381,357)	(1,132,995)
Closing defined benefit obligation	2,643,584	2,317,493

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

	March 31,2015	March 31, 2014
Opening fair value of plan assets	417,936	625,520
Actuarial gains / (losses)	(549)	35,235
Contributions	391,048	134,040
Benefits paid	(213,638)	(420,273)
Expected return on plan assets	45,598	43,416
Closing fair value of plan assets	640,395	417,936

The Company expects to contribute Rs. 2,003,189 to gratuity fund in the next year (March 31, 2014: Rs.1,721,895).

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

	March 31,2015	March 31, 2014
Investment with insurer (Life Insurance Corporation of India)	100.00%	100%

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

	March 31,2015	March 31, 2014
Discount rate	8.00%	8.00%
Increase in compensation cost	8.00%	7.50%
Expected rate of return on plan assets	9.00%	9.00%
Employee turnover	0.50%	0.50%



- a) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- b) The overall expected rate of return is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled. These rates are different from the actual return during the current period.
- c) Information relating to experience adjustment in the actuarial valuation of gratuity as required by Paragraph 120(n)(ii) of the Accounting Standard 15 (Revised) on Employee Benefits is as follows:

Particulars	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined benefit obligation	2,643,584	2,317,493	3,087,937	2,882,697	2,591,088
Plan assets	(640,395)	(417,936)	(625,520)	(1,183,562)	(1,705,200)
Surplus / (deficit)	(2,003,189)	(1,899,557)	(2,462,417)	(1,699,135)	(885,888)
Experience adjustments on plan liabilities	(381,357)	(1,132,995)	(170,694)	55,211	(614,368)
Experience adjustments on plan assets	549	(35,233)	(87,058)	(136,583)	(169,994)
Defined Contribution Plan					
				March 31, 2015	March 31, 2014
Contribution to provident and pension fund				1,987,656	1,799,514
Contribution to superannuation fund				268,533	258,084
Contribution to ESI				125,032	181,699
				2,381,221	2,239,297

25 The details of Research and Development expenses are given below

	March 31, 2015	March 31, 2014
Repairs and Maintenance- Plant and Machinery	30,880	31,941
Process Expenses	1,289,025	1,120,784
Farm Maintenance	216,051	117,101
Testing expenses	2,271,222	2,207,223
Consumables	183,344	230,345
Miscellaneous expenses	99,654	387,666
	4,090,176	4,095,260

26 Lease

Operating leases are mainly in the nature of lease of office premises and godowns with no restrictions and are renewable/cancellable at the option of either of the parties. There are no sub-leases. The aggregate amount of operating lease payments recognized in the Statement of Profit and Loss Rs. 1,23,28,109 (March 31, 2014 Rs. 13,206,609).

27 Segment Information

a Business Segment

The Company's operations fall within a single business segment, i.e. trading, processing and sale of hybrid seeds. The entire operations are governed by the same risk and returns and as such all business activities revolve around this segment. Hence, the operations have been considered as representing a single segment, and no separate financial disclosures are provided.

b Geographical segments

The analysis of geographical segments is based on the location of customers, i.e. domestic and overseas. The following is the distribution of the Company's sales and carrying amount of trade receivables by geographical market.

	March 31, 2015	March 31, 2014
Revenue		
Domestic Market	482,423,587	440,469,305
Overseas Market	9,303,000	17,290,975
Trade Receivables		
Domestic Market	194,491,572	149,452,131
Overseas Market	-	-

Note: The Company's entire fixed assets are situated within India for processing goods to the domestic as well as overseas markets. Hence, separate figures for fixed assets, additions to fixed assets have not been furnished.

28 Related party disclosures

A. Names of related parties and description of relationship:

Nature of Relationship	Name of the related party
Holding company	Zuari Agro Chemical Limited
Associate of holding company	Zuari Global Limited
Fellow subsidiary	Zuari fertilisers and chemical Limited Simon India Limited Zuari Management Services Limited Zuari Investments Limited Nuzon International India Limited Globex Limited India Furniture Products Limited
Joint Ventures	Paradeep Phosphates Limited Zuari Rotem Speciality Fertilisers Limited
Key managerial person	Mr. V.L. Nageshwara Rao (Manager) Mr. Kaushal Jaiswal (COO)



B. Summary of transactions with the related parties is as follows:

	March 31,2015	March 31, 2014
Zuari Agro Chemicals Limited		
Sale of seeds (net of sales returns and discounts)	(2,064,107)	(3,525,984)
Interest Expense	10,125,000	19,832,466
Debit note towards expense reimbursements	935,021	1,534
Business Support Services	20,144,465	-
Credit note towards expense reimbursements	112,456	-
Allotment of preference share capital	-	75,000,000
Allotment of equity share capital	-	65,000,000
Zuari Global Limited		
Management Fees *	995,971	4,337,817
Credit note towards expense reimbursements	7,362	3,681
Paradeep Phosphate Limited		
Sale of Seeds	-	4,500,000
Debit note towards reimbursement of expenses	34,223	-
Zuari Investments Limited		
Credit note towards expense reimbursements	22,472	22,472
Zuari Rotem Speciality Fertilisers		
Debit notes towards expenses reimbursements	59,596	-
Mr. V. L. Nageswara Rao - Perquisites**	2,678,790	329,083
Mr Kaushal Jaiswal	3,756,822	-
* includes consideration paid by Zuari Global Limited to the Company as per the agreed terms		
** Previous year figure includes perquisites only		

C. Related parties balances at year end

Particulars	March 31,2015	March 31, 2014
Zuari Global Limited		
Trade Payable	9,430,661	8,534,297
Zuari Agro Chemicals Limited		
Trade Receivable	19,241,298	8,948,135
Trade Payable	6,082,150	5,969,693
Unsecured loan (including interest)	97,518,925	88,406,424
Zuari Investments Limited		
Trade Payable	2,247	-
Paradeep Phosphate Limited		
Trade Receivable	1,500,000	2,700,000
Trade Payable	34,223	-
Zuari Rotem Speciality Fertilisers Limited		
Trade Payable	59,596	-

Note :

The Company has received a corporate guarantee for Rs. 110,000,000 from Zuari Agro Chemicals Limited (Previous Year: Corporate Guarantee of Rs.210,000,000 provided by Zuari Global Limited)

29 Capital and other commitments

- a Estimated amount of contracts remaining to be executed on capital account and not provided for and other commitments are Rs. Nil (March 31, 2014: Rs. Nil).
b For commitments relating to lease arrangements, refer note 26

30 Derivative instruments and other un-hedged foreign currency exposure

There are no derivative contract outstanding and unhedged foreign currency exposure as at Balance sheet date.

31 Contingent liabilities

The Company has outstanding bank guarantee for Rs.1,128,253. (March 31, 2014: Rs. 52,178).

32 Details of dues to micro and small enterprises as defined under the MSMED ACT, 2006

The identification of micro, medium and small enterprises as defined under the The Micro, Small and Medium Enterprises Development Act, 2006 is based on the Management's knowledge of the status. As per information available with the Management, trade payables do not include any amount due to micro, medium and small enterprises registered under the The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2015 and March 31, 2014.



33 Imported and indigenous raw materials consumed

	% of total Consumption March 31, 2015	Rs March 31, 2015	% of total Consumption March 31, 2014	Rs March 31, 2014
Raw materials				
Imported	1.04	3,002,400	1	3,136,983
Indigenous	98.96	286,133,236	99	327,071,746
	100.00	289,135,636	100	330,503,729
Packing Materials				
Imported				
Indigenous	100.00	18,910,952	100	25,016,491
	100.00	18,910,952	100	25,016,491
Chemicals				
Imported				
Indigenous	100.00	4,088,946	100	5,176,548
	100.00	4,088,946	100	5,176,548

34 Earnings in foreign currency (accrual basis)

	March 31, 2015	March 31, 2014
Export of seeds	9,303,000	17,290,975
	9,303,000	17,290,975

35 Value of imports calculated on CIF basis

	March 31, 2015	March 31, 2014
Raw seeds	3,002,400	3,435,983
	3,002,400	3,435,983

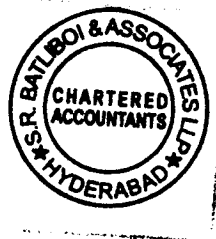
36 The Company has recognized deferred tax assets on unabsorbed depreciation and unabsorbed losses to the extent of deferred tax liability on prudence. Accordingly, there is no impact on the statement of profit and loss in the current year.

37 The Company has reclassified and regrouped previous year figures to conform the current year's classification.

As per our report of even date

For S.R.BATLIBOI & ASSOCIATES LLP
 Firm Registration Number: 101049W
 Chartered Accountants

per Shankar Srinivasan
 Partner
 Membership No. 213271



Place: Chennai
 Date: May 07, 2015

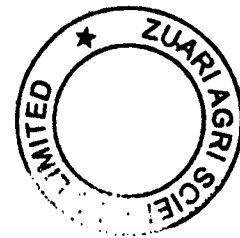
For and on behalf of the Board of Directors of
 Zuari Agri Sciences Limited (Formerly Zuari Seeds Limited)

Kaushal Jaiswal
 Kaushal Jaiswal
 COO

Naveen Kapoor
 Naveen Kapoor
 Director

Suresh Krishnan
 Suresh Krishnan
 Director

Place: Gurgaon
 Date:



Shaitale
 Shailesh Chitale
 C.F.O

Siddhesh S. Zantye
 Siddhesh S. Zantye
 Company Secretary