



V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members of ZUARI MANAGEMENT SERVICES LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of **Zuari Management Services Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2014 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the footnote beneath note no. 10 of financial statements regarding the decline in the value of the investments of Style Spa Furniture Limited as on 31st March, 2014 and the management's view for not providing for the same. Our opinion is not qualified in respect of this matter.

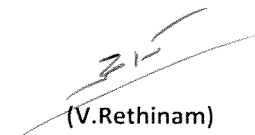
Report on Other Legal and Regulatory Requirements

1 As required by section 227(3) of the Act, we report that:

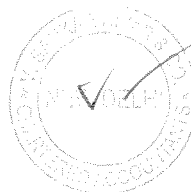
- (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- (e) On the basis of written representations received from the directors as on 31st March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

2. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W


(V. Rethinam)
Partner
Membership No. 10412

Place: New Delhi
Date: 07.05.2014




ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE SHAREHOLDERS OF ZUARI MANAGEMENT SERVICES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2014

1. (i) The Company is maintaining proper records, showing full particulars, including quantitative details and situation of fixed assets.
(ii) We are informed that the management physically verified assets at the year end. Having regard to the size of the company and nature of its assets, in our opinion this considerable reasonable. No material discrepancies were noticed on such verification as compared with the book records.
(iii) Since there is no substantial disposal of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.
2. The Company does not carry inventory of the nature covered by Accounting Standard 2 during the period under audit. Therefore, clause 4 (ii) of the Order is not applicable to the Company.
3. The Company has not granted or taken loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, clause 4 (iii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, with regard to purchase fixed assets. To the best of our knowledge, no major weakness in internal control system were either reported or noticed by us during the course of our audit.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into a register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. During the year, the Company has not accepted deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 or any other relevant provision of the Act and the rules framed there under.
7. An outside agency has carried out internal audit during the year. In our opinion, the internal audit system of the Company is commensurate with the size and nature of its business.
8. Since Section 209 (1) (d) of the Act regarding maintenance of cost records, does not cover the activities of the Company during the year, the provision of clause 4 (viii) of the Order are not applicable to the Company.
9. (a) According to information and explanation given to us and on the basis of our examination of books of accounts, the Company has been generally regular in depositing with the appropriate authorities, the undisputed statutory dues in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax and any other statutory dues. We are informed that there is no liability towards Investor Education and Protection Fund, Wealth Tax, Sales Tax, Custom Duty, Cess and Excise Duty for the year under audit. According to the information and explanations given to us, there were no undisputed amounts payable in respect of aforesaid statutory dues which have remained outstanding as at 31st March, 2014, for a period of more than six months from the date they became payable.
(b) According to information and explanation given to us, and on the basis of our examination of books of accounts, there are no pending disputes in respect of Income Tax and Service Tax.
10. The Company has no accumulated losses as at the end of the year and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. According to the records of the Company examined by us and on the basis of information and explanations provided to us, the Company has not taken any loans from financial institutions or banks and has not issued debentures during the year.
12. According to the records of the Company examined by us and on the basis of information and explanations provided to us, the Company has not granted loans and advances during the year on the basis of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not dealing Chit Fund or Nidhi/Mutual Fund/Society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.



14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause (xiv) of the Order are not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4 (xv) of the Order are not applicable to the Company.
16. Based on the information and explanations given to us, the Company has not taken any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we state that no short term funds were raised during the year.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year and therefore, question of creating security / charge does not arise.
20. The Company has not raised any money through a public issue during the year.
21. Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year under audit.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm's Regn. No. - 109208 W


(V. Rethinam)
Partner
Membership no. 10412

Place: New Delhi
Dated: 07.05.2014



Zuari Management Services Limited
Balance Sheet as at 31 March, 2014

(Amount in Rupees)

	Notes	31 March 2014	31 March 2013
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	5,00,000	5,00,000
Reserves and surplus	4	6,34,71,691	5,11,36,568
		<u>6,39,71,691</u>	<u>5,16,36,568</u>
Non-current liabilities			
Long term borrowings	5	-	-
Long-term provisions	6	-	-
		<u>-</u>	<u>-</u>
Current liabilities			
Trade payables	7	1,35,41,136	2,01,086
Other current liabilities	8	10,51,41,186	3,51,78,800
Short-term provisions	6	43,21,418	31,08,571
		<u>12,30,03,740</u>	<u>3,84,88,457</u>
Total		<u><u>18,69,75,431</u></u>	<u><u>9,01,25,025</u></u>
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
Tangible assets	9	12,00,948	5,01,646
Non-current investments	10	16,30,26,145	7,46,08,010
Long-term loans and advances	13	31,34,104	10,85,000
Other non-current assets	14	2,13,357	1,17,446
		<u>16,75,74,554</u>	<u>7,63,12,102</u>
Current assets			
Trade receivable	11	87,64,639	22,76,999
Cash and bank balances	12	23,07,456	34,15,066
Short-term loans and advances	13	83,28,782	81,20,858
		<u>1,94,00,877</u>	<u>1,38,12,923</u>
Total		<u><u>18,69,75,431</u></u>	<u><u>9,01,25,025</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.

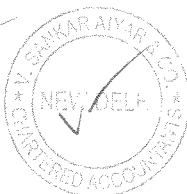
Chartered Accountants

FRN 109208 W

(V. Rethinam)

Partner

M No.10412



For and on behalf of the Board

Suresh Krishnan
(Suresh Krishnan)
Director

R. S. Raghavan
(R. S. Raghavan)
Director

Place: New Delhi

Date: 7th May, 2014

Place: Gurgaon

Date: 7th May, 2014

Zuari Management Services Limited
Statement of Profit and Loss for the year ended 31 March, 2014

		(Amount in Rupees)	
	Notes	31 March 2014	31 March 2013
Income			
Revenue from operations	14	6,47,45,073	2,14,78,363
Other income	15	1,30,19,260	1,28,39,110
Total Revenue		<u>7,77,64,333</u>	<u>3,43,17,473</u>
Expenses			
Employee benefits expense	16	2,49,44,170	1,73,48,165
Other expenses	17	2,47,86,896	1,11,74,346
Total		<u>4,97,31,066</u>	<u>2,85,22,511</u>
Earnings before interest, tax, depreciation and amortization		<u>2,80,33,267</u>	57,94,962
Depreciation and amortization expense	18	1,78,917	92,542
Finance costs	19	1,11,19,227	7,410
Profit/(loss) before tax		<u>1,67,35,123</u>	56,95,010
Tax expense			
Current tax		44,00,000	-
MAT Credit Entitlement		-	-
Total tax expense		<u>44,00,000</u>	-
Profit/(Loss) for the year after tax carried to Balance Sheet		<u>1,23,35,123</u>	<u>56,95,010</u>

Earnings per equity share {nominal value of share Rs.10/-
 (31 march 2013 - Rs.10/-)} Basic & diluted

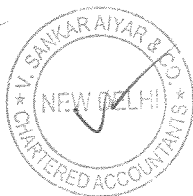
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Significant accounting policies 1
 Other notes forming part of the financial statements 2

As per our report of even date
 For V.Sankar Aiyar & Co.
 Chartered Accountants
 FRN 109208 W

For and on behalf of the Board

(V. Rethinam)
 Partner
 M No.10412



Suresh Krishnan
 (Suresh Krishnan)
 Director

R. S. Raghavan
 (R. S. Raghavan)
 Director

Place: New Delhi
 Date: 7th May, 2014

Place: Gurgaon
 Date: 7th May, 2014

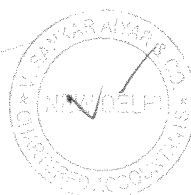
Zuari Management Services Limited
Cash Flow Statement for the year ended 31 March, 2014

Particulars	(Amount in Rs.)	
	31 March 2014	31 March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax & exceptional items.	1,67,35,123	56,95,010
<u>Adjustment for :</u>		
Depreciation	1,78,917	92,542
Interest Income	(1,01,857)	(2,16,337)
Dividend Income	(1,29,17,403)	(1,26,17,403)
Operating Profit/(Loss) before working Capital Changes	38,94,780	(70,46,188)
<u>Adjustment for changes in :</u>		
(Decrease)/Increase in Long Term Provisions	(44,00,000)	-
(Decrease)/Increase in Short Term Provisions	12,12,847	15,66,244
(Decrease)/Increase in Trade payables	1,33,40,050	(2,61,997)
(Decrease)/Increase in Other Current Liabilities	33,62,386	2,06,544
(Increase)/ Decrease in Short Terms Loans and Advances	16,94,323	(15,31,675)
(Increase)/ Decrease in Long Terms Loans and Advances	(20,49,104)	(10,85,000)
(Increase)/ Decrease in Other non-current Assets	(95,911)	-
(Increase)/ Decrease in Other Current Assets	-	11,671
(Increase)/Decrease in Trade Receivables	(64,87,640)	24,76,000
Net Cash from Operating Activities before Income Tax	1,04,71,732	(56,64,401)
Direct taxes paid (net of refund)	(19,02,247)	(26,51,052)
Net cash from operating activities	85,69,485	(83,15,453)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (including in-tangible assets)	(8,78,219)	(3,01,543)
Purchase of non-current investments	(8,84,18,135)	-
Proceeds from Sale of Fixed Assets	-	48,577
Dividend Income	1,29,17,403	1,26,17,403
Interest Income	1,01,857	2,16,337
Fixed Deposit realised	-	15,00,000
Net cash used in Investing activities	(7,62,77,094)	1,40,80,774
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Loans taken during the year	10,11,00,000	-
Repayment of Long-term Borrowings	(3,45,00,000)	(75,00,000)
Net cash used in financing activities	6,66,00,000	(75,00,000)
Net Changes in Cash and Cash equivalents during the year	(11,07,610)	(17,34,679)
Cash and Cash equivalents at the beginning of the year	34,15,066	51,49,745
Cash and Cash equivalents at the end of the year	23,07,456	34,15,066
Net Increase/(Decrease)	(11,07,610)	(17,34,679)

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand 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

(V. Rethinam)
Partner
M No.10412
Place: New Delhi
Date: 7th May, 2014



For and on behalf of the Board

(Suresh Krishnan)
Director

Place: Gurgaon
Date: 7th May, 2014

(R. S. Raghavan)
Director

ZUARI MANAGEMENT SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. Significant accounting policies

a. Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, 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 (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on 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

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management or those prescribed under the Schedule XIV to the Companies Act, 1956 whichever is higher. The Company has used the following rates to provide depreciation on its fixed assets.

Furniture & fixtures	6.33%
Computers	33.33%

f. 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.

g. 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.



ZUARI MANAGEMENT SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

In respect of gratuity, separate actuarial valuation is carried out, while it was done on a fair estimate last year. Actuarial gains and losses for gratuity are recognized in full in the period in which they occur in the statement of profit and loss.

h. 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.

i. 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.

2. Other Notes forming part of accounts

2.1 Corporate Information

Zuari Management Services Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It was incorporated on 6th December 2006.

2.2 Related party disclosures as per Accounting Standard 18

- a) Holding Company : Zuari Global Limited
- b) Fellow Subsidiaries : Zuari Infraworld India Limited
: Zuari Investments Limited
: Simon India Limited

Transactions with the above parties and closing balances as at March 31, 2014 are as per "Annexure – A"

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

S.No.	Particulars	31.03.2014	31.03.2013
a)	Profit / (Loss) for the year	1,23,35,123	56,95,010
b)	Weighted average number of equity shares	50,000	50,000
c)	Face value of per share	10	10
d)	Basic and diluted earnings per share	246.70	113.90

2.4 Provision for employee benefits include amount received from a group company on transfer of employees –

Gratuity: Rs.2,38,562 (previous year Rs.6,07,959), Earned Leave: Rs.4,16,000, Sick Leave: Rs.1,36,500



ZUARI MANAGEMENT SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.4 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	2013-14	2012-13
Discount Rate	9%	8%
Future salary increase	9%	6%

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

		Gratuity		Earned Leave	
		31-03-2013	31-03-2014	31-03-2013	31-03-2014
a)	Present value of obligation as at the beginning of the period	5,73,871	6,70,931	9,68,456	13,19,264
b)	Acquisition adjustment	Nil	2,38,562	Nil	4,16,000
c)	Interest cost	45,910	53,674	77,476	1,05,541
d)	Past service cost	Nil	Nil	Nil	Nil
e)	Current service cost	2,26,731	3,87,470	5,06,145	11,66,269
f)	Curtailement cost/(Credit)	Nil	Nil	Nil	Nil
g)	Settlement cost/(Credit)	Nil	Nil	Nil	Nil
h)	Benefits paid	(1,731)	Nil	(32,824)	(14,766)
i)	Actuarial (gain)/loss on obligation	(1,73,850)	(5,06,445)	(1,99,989)	(4,63,761)
j)	Present value of obligation as at the end of period	6,70,931	8,44,192	13,19,624	25,28,547

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

		31-03-2013	31-03-2014	31-03-2013	31-03-2014
a)	Current service cost	2,26,731	3,87,470	5,06,145	1,16,269
b)	Past service cost	Nil	Nil	Nil	Nil
c)	Interest cost	45,910	53,674	77,476	1,05,541
d)	Expected return on plan assets	Nil	Nil	Nil	Nil
e)	Curtailement cost / (Credit)	Nil	Nil	Nil	Nil
f)	Settlement cost / (credit)	Nil	Nil	Nil	Nil
g)	Net actuarial (gain)/ loss recognized in the period	(1,73,850)	(5,06,445)	(1,99,989)	(4,63,761)
h)	Expenses recognized in the statement of profit & losses	98,791	65,301	3,83,632	8,08,049

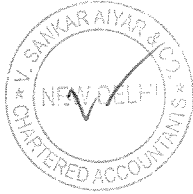


ZUARI MANAGEMENT SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

	2013-14	2012-13
Contribution to Provident Fund	10,94,268	7,83,350
Contribution to Superannuation Fund	Nil	Nil
Contribution to Contributory pension fund	4,65,078	Nil
Total	15,59,346	7,83,350

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



Zuari Management Services Limited
Notes to financial statements for the year ended 31 March, 2014
(Amount in Rupees)

3. Share capital	31 March 2014	31 March 2013
Authorised :		
50,000 Equity Shares of Rs. 10/- each	<u>5,00,000</u>	<u>5,00,000</u>
Issued		
50,000 Equity Shares of Rs. 10/- each	<u>5,00,000</u>	<u>5,00,000</u>
Subscribed and Paid-up		
50,000 Equity Shares of Rs.10/- each, fully Paid-up	<u>5,00,000</u>	<u>5,00,000</u>
Total	<u><u>5,00,000</u></u>	<u><u>5,00,000</u></u>

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

Equity Shares	31 March 2014		31 March 2013	
	Number	Rupees	Number	Rupees
At the beginning of the period	50,000	5,00,000	50,000	5,00,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	50,000	5,00,000	50,000	5,00,000

b) Terms/Rights Attached to equity Shares

The Company has 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 Shareholders holding more than 5% of shares in the company

Name of Shareholder	31 March 2014		31 March 2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Zuari Global Limited	50,000	100	50,000	100

d) The entire paid up capital is held by Zuari Global Limited, the Holding Company & its nominees.

4. Reserves and surplus	31 March 2014	31 March 2013
Surplus		
Balance as per last Financial Statements	5,11,36,568	4,54,41,558
Net Profit/(Loss) for the current year	1,23,35,123	56,95,010
Total	<u><u>6,34,71,691</u></u>	<u><u>5,11,36,568</u></u>

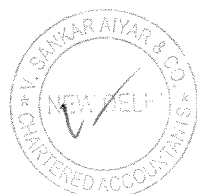
5. Long-term borrowings

	Non-current portion		Current maturities	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Unsecured				
Inter Corporate Deposit from Adventz Infraworld India Limited	-	-	-	3,45,00,000
Zuari Global Limited	-	-	10,11,00,000	-
Total	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>10,11,00,000</u></u>	<u><u>3,45,00,000</u></u>

Terms:

Interest - 10% per annum

Maturity - 18 months



Zuari Management Services Limited
Notes to financial statements for the year ended 31 March, 2014

(Amount in Rupees)

6. Provisions	31 March 2014		31 March 2013	
	Non Current	Current	Non Current	Current
(a) Provision for employee benefits				
- Gratuity	-	14,12,892	-	11,74,330
- Sick Leaves	-	3,79,979	-	1,25,089
- Leave benefits	-	25,28,547	-	18,09,152
(b) Provision for Losses on Investments	-	-	-	-
Total	-	43,21,418	-	31,08,571

7. Trade payables	31 March 2014	31 March 2013
Trade payables*	1,35,41,136	2,01,086
Total	1,35,41,136	2,01,086

* 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 the interest, if any, payable under the Act are not ascertainable.

8. Other current liabilities	31 March 2014	31 March 2013
Current Maturities of Long Term Borrowings (ICD)	10,11,00,000	3,45,00,000
Security Deposits	1,05,000	-
Statutory dues	39,36,186	6,78,800
Total	10,51,41,186	3,51,78,800

9. Fixed assets

Particulars	Tangible			Intangible	Grand Total
	Computers	Furniture & Fixtures	Total		
Cost					
As at 01.04.2013	2,92,946	3,32,980	6,25,926	-	6,25,926
Additions	2,47,125	6,31,094	8,78,219	-	8,78,219
Disposals	-	-	-	-	-
As at 31.03.2014	5,40,071	9,64,074	15,04,145	-	15,04,145
Depreciation					
Upto 01.04.2013	82,240	42,040	1,24,280	-	1,24,280
Charge for the Year	1,39,368	39,549	1,78,917	-	1,78,917
Written back	-	-	-	-	-
Upto 31.03.2014	2,21,608	81,589	3,03,197	-	3,03,197
Net Block					
As at 31.03.2014	3,18,463	8,82,485	12,00,948	-	12,00,948
As at 31.03.2013	2,10,706	2,90,940	5,01,646	-	5,01,646

(Refer Note 1 (e) for method and rate of depreciation)



Zuari Management Services Limited
Notes to financial statements for the year ended 31 March, 2014
(Amount in Rupees)

10. Non-current investments	31 March 2014	31 March 2013
Non Trade - at cost		
Equity instruments - Quoted		
50,78,909 Equity shares of Rs.10/- each (previous year 42,05,801 equity shares), fully paid up of Zuari Agro Chemicals Limited	13,04,76,145	4,20,58,010
Equity instruments - Unquoted		
23,25,000 Equity Shares of Rs.10/- each, fully paid up of Style Spa Furniture Limited	3,25,50,000	3,25,50,000
Total	16,30,26,145	7,46,08,010

a) Market value of quoted investments 65,01,00,352 61,95,14,487

b) As regards unquoted investments in Style Spa Furniture Limited (SSFL), the paid up capital & reserves of the investee company are nearly eroded by accumulated losses. Under a scheme of arrangement approved by the Madras High Court, SSFL will stand merged with Indian Furniture Products Limited (IFPL) from the appointed date of 1st April, 2014. As a result, the Company will be allotted 24,91,071 equity shares of Rs.10/- each, fully paid up in IFPL. The management is of the view that the shares being allotted in IFPL would be carried forward at the same cost at which the shares of SSFL are held at present. Keeping in view the long term nature of the investments, no provision for diminution in value is considered necessary.

11. Trade receivables (Unsecured - considered good)	31 March 2014		31 March 2013	
	Non Current	Current	Non Current	Current
- Outstanding for a period exceeding 6 months from the date they are due for payment	-	-	-	-
- Other receivables	2,13,357	87,64,639	1,17,446	22,76,999
Total	2,13,357	87,64,639	1,17,446	22,76,999

12. Cash and cash equivalents	31 March 2014		31 March 2013	
	Non Current	Current	Non Current	Current
a. Cheques in hand	-	-	-	-
b. Balances with banks				
-in Current Accounts	-	23,07,456	-	34,15,066
- in deposit accounts of more than 3 months and less than 12 months maturity	-	-	-	-
Total	-	23,07,456	-	34,15,066

13. Loans and advances (Unsecured - considered good)	31 March 2014		31 March 2013	
	Non Current	Current	Non Current	Current
Other loans and Advances				
Advance income tax (net of provision for taxation)	-	79,57,911	-	60,55,664
Prepaid expenses	-	3,750	-	14,237
Advances recoverable in Cash or in Kind	10,09,104	3,67,121	9,25,000	20,50,957
Security deposit	21,25,000	-	1,60,000	-
Total	31,34,104	83,28,782	10,85,000	81,20,858

14. Other Assets	31 March 2014		31 March 2013	
	Non Current	Current	Non Current	Current
Interest Accrued on Housing Loans	2,13,357	-	1,17,446	-
Total	2,13,357	-	1,17,446	-



Zuari Management Services Limited
Notes to financial statements for the year ended 31 March, 2014

(Amount in Rupees)

31 March 2014 31 March 2013

14. Revenue from operations

(Refer Note No. 1 (f) for revenue recognition)

Commission Income	1,83,69,529	-
Management & Engineering Services	4,63,75,544	2,14,78,363
Total	6,47,45,073	2,14,78,363

15. Other income

Dividend Income	1,29,17,403	1,26,17,403
Foreign Exchange Fluctuation	-	5,370
Interest Income	1,01,857	2,16,337
Total	1,30,19,260	1,28,39,110

16. Employee benefits expense

(Refer Note No. 1 (g) for employee benefits)

Salaries, wages and bonus	2,24,07,717	1,59,29,527
Contribution to provident & other funds	15,80,442	12,75,916
Staff welfare	9,56,011	1,42,722
Total	2,49,44,170	1,73,48,165

17. Other expenses

Advertisement	-	1,75,000
Consultancy	1,70,71,034	85,07,815
Rent (net of recoveries)	36,37,334	4,12,012
Legal & Professional Expenses	6,06,328	2,13,416
ROC Charges & Filing Fees	19,482	1,881
Payment to Auditors (Refer detail below)	95,000	77,416
Printing & Stationery	71,977	46,258
Travelling & conveyance	19,94,197	7,82,234
Vehicle Maintenance	9,44,179	6,96,647
Communication	1,89,855	1,64,859
Miscellaneous expenses	1,57,510	96,808
Total	2,47,86,896	1,11,74,346

Payments to the Auditors as

Audit Fees	80,000	67,416
Tax Audit Fees	15,000	10,000
Total	95,000	77,416

18. Depreciation and amortization expense

Depreciation of tangible assets	1,78,917	92,542
Total	1,78,917	92,542

19. Finance costs

Interest expense	1,11,19,227	-
Interest on regular assessment	-	7,410
Total	1,11,19,227	7,410

For V. Sankar Aiyar & Co.

Chartered Accountants

FRN 109208 W

(V. Rethinam)

Partner

M No.10412

Place: New Delhi

Date: 7th May, 2014



For and on behalf of the Board

Suresh Krishnan

(Suresh Krishnan)

Director

Place: Gurgaon

Date: 7th May, 2014

R. S. Raghavan

(R. S. Raghavan)

Director

Related Party Transaction As Per Accounting Standard 18 For Zuari Management Services Limited					
(Amount in Rs.)					
Following transactions were carried out with related parties in the ordinary course of business for the Period ended 31st March' 2014					
Sl. No	Transaction Details	2013-14		2012-13	
		Holding Company	Fellow Subsidiaries	Holding Company	Fellow Subsidiaries
1	Payment made on their behalf				
	-Zuari Infraworld India Limited		1,02,725		
	-Zuari Global Limited	8,00,000		11,43,303	
	-Zuari Investments Limited		2,92,978		
	-Simon India limited		2,38,514		1,12,480
2	Payment made on our behalf				
	-Zuari Global Limited	63,97,040			
	-Zuari Investments Limited		315		5,200
	-Simon India limited		5,509		
3	Service Charges Paid				
	-Zuari Investments Limited		20,000		22,502
4	Receipt of Inter-corporate Deposits / loans				
	-Zuari Infraworld India Limited		3,45,00,000		3,45,00,000
	-Zuari Global Limited	12,67,00,000			
5	Repayment of Inter-corporate Deposits / loans				
	-Zuari Infraworld India Ltd.		3,45,00,000		
	-Zuari Global Limited	2,56,00,000			
6	Management Fees Received				
	-Zuari Global Limited	29,54,878		15,70,618	
	-Zuari Infraworld India Limited		13,30,712		14,61,448
	-Zuari Investments Limited		2,52,000		1,92,893
7	Purchase of Shares				
	-Zuari Investments Limited		8,84,18,135		
8	Security Deposit Received				
	-Zuari Investments Limited		1,05,000		-
9	Interest Paid				
	-Zuari Global Limited	1,11,19,227		-	

Closing Balances as at March 31, 2014

Sr.No.	Name of Company	Dr. / Cr.	Amount Rs.
1	Zuari Global Limited	Cr.	30,447
2	Zuari Global Limited - ICD	Cr.	10,11,00,000
3	Zuari Investments Limited		Nil
4	Zuari Investments Limited - Security Deposit	Cr.	1,05,000
5	Zuari Infraworld India Limited - ICD		Nil
6	Zuari Infraworld India Limited		Nil
7	Simon India Limited	Cr.	5,509

