

ZUARI HOLDINGS LIMITED

ANNUAL REPORT – 2010-11

DIRECTORS' REPORT

To the Members,

Your Directors place before you the Second Annual Report of the Company together with Statement of Accounts for the period ended 31st March 2011.

Financial Results:

The Company has yet to commence its business.

Directors:

Mr. Arun Mahajan, Director retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Auditors:

The Auditors M/s. V. Shankar Aiyar & Co., Chartered Accountants, New Delhi retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Conservation of Energy, Foreign Exchange earnings and outgo and Technology Absorption:

There is no information required to be given under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 about the conservation of energy and technology absorption as the Company has not started its business.

During the period under review no foreign exchange earnings and outgo transactions have been made.

Personnel:

During the period under consideration there was no employee in respect of whom information as per Section 217(2A) of the Companies Act, 1956, is required to be given in the Director's Report.

Compliance Certificate:

The Company has obtained Compliance Certificate as required under Section 383A (1) of the Companies Act, 1956 from Mr. Sadashiv V. Shet, Practicing Company Secretary for the financial year ended March 31, 2011.

Directors' Responsibility Statement:

Your Directors confirm,

- i) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of

the state of affairs of the Company as at 31st March, 2011 and of the profit and loss account for the period ended 31st March 2011;

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

Acknowledgements:

Your Directors wish to place on record the appreciation for the assistance and co-operation that your Company received from M/s. Zuari Industries Ltd.

For and on behalf of the Board,

Place: Zuarinagar
Date: 09.05.2011

Suresh Krishnan
Director

Binayak Datta
Director



V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT TO THE MEMBERS OF ZUARI HOLDINGS LIMITED

1. We have audited the attached Balance Sheet of Zuari Holdings Limited as at 31st March 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended), issued by the Department of Company Affairs, Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable on the basis of such checks as we considered appropriate and according to the information and explanations given to us:
 - a) Based on the audit procedures performed and representations obtained from the management, we report that no fraud on or by the Company has been noticed or reported during the audit (clause xxi).
 - b) In our opinion, the requirement of clauses (i) to (xx) specified in paragraph-4 of the said Order are either not applicable or do not call for a statement for the period under audit.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) 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.
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.



- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
- (v) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 2011;
- b) In the case of the Profit & Loss Account, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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


(V. Rethinam)

Partner

Membership No. 10412

Place: New Delhi

Dated: 9/5/2011



ZUARI HOLDINGS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011


		(Amount in Rs.)	(Amount in Rs.)
		As at	As at
Sch	March 31, 2011	March 31, 2011	March 31, 2010
I. SOURCES OF FUNDS :			
1 Shareholders' Funds			
	Share Capital	20,000,000	500,000
2 Loan Funds			
TOTAL		20,000,000	500,000
II. APPLICATION OF FUNDS :			
1 Fixed Assets			
2 Current Assets, Loans & Advances			
	Cash & Bank Balances	19,736,070	509,300
		19,736,070	509,300
3 Current Liabilities & Provisions			
	Current Liabilities	33,090	277,983
		33,090	277,983
Net Current Assets		19,702,980	231,317
4 Miscellaneous Expenditure			
	Profit & Loss Account	297,020	268,683
TOTAL		20,000,000	500,000

Accounting Policies & Notes on accounts : 5

The schedules referred to above and the notes on Accounts form an integral part of the Balance Sheet

As per our report of even date attached

For V.SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS


V. BETHINAM
PARTNER
Membership. NO - 10412

Place: *New Delhi*
Date: *9-05-2011*



For and on behalf of the Board


SURESH KRISHNAN
DIRECTOR


BINAYAK DATTA
DIRECTOR

ZUARI HOLDINGS LIMITED
 PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	(Amount in Rs.)	(Amount in Rs.)
	As at	As at
Sch	March 31, 2011	March 31, 2010
I. INCOME		
Interest Income	18,740	-
Total	18,740	-
II. EXPENDITURE		
Audit Fees	33,090	19,303
Miscellaneous Expenses	13,987	249,380
Total	47,077	268,683
Profit/ (Loss) before Tax	(28,337)	(268,683)
Less: Provision for Tax	-	-
Profit/ (Loss) after Tax	(28,337)	(268,683)
Balance brought forward from previous year	(268,683)	-
Balance carried to Balance Sheet	(297,020)	(268,683)
Basic and Diluted Earning Per Share (In Rs.)	(0.01)	(5.37)
Nominal Value of Shares (In Rs.)	10	10

Accounting Policies & Notes on accounts : 5

The schedules referred to above and the notes on Accounts form an integral part of the Profit & Loss account

As per our report of even date attached

For V.SANKAR AIYAR & CO.
 CHARTERED ACCOUNTANTS

V. RETHINAM
 PARTNER
 Membership. NO - 10412

Place: New Delhi
 Date: 9.05.2011



For and on behalf of the Board

Suresh Krishnan

SURESH KRISHNAN
 DIRECTOR

Binayak Datta

BINAYAK DATTA
 DIRECTOR

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2011

	(Amount in Rs.) As at March 31, 2011	(Amount in Rs.) As at March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax & exceptional items.	(28,337)	(268,683)
<u>Adjustment for :</u>		
Depreciation	-	-
Operating Profit/(Loss) before working Capital Charges	(28,337)	(268,683)
<u>Adjustment for changes in :</u>		
(Increase)/Decrease in Current Assets (Fixed Deposit - 180 days)	(18,000,000)	-
(Decrease)/Increase in Current Liabilities and Provisions	(244,893)	277,983
Cash flow before extra ordinary items	(18,244,893)	9,300
Cash Generated from operations	(18,244,893)	9,300
Less Income tax and prior year taxes paid	-	-
Net cash from operating activities	(18,273,230)	9,300
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	-	-
Proceeds from Borrowings	-	-
Net cash used in Investing activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of Share Capital (Net of balance due)	19,500,000	500,000
Net cash used in financing activities	19,500,000	500,000
Net Changes in Cash and cash equivalents during the year	1,226,770	509,300
Cash and Cash equivalents at the beginning of the year	509,300	-
Cash and Cash equivalents at the end of the year	1,736,070	509,300
Net Increase/(Decrease)	1,226,770	509,300

As per our report of even date

V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

V. RETHINAM
PARTNER

Membership. NO - 10412

Place: *New Delhi*
Date: *9-05-2011*

For and on behalf of the Board

Suresh Krishnan

SURESH KRISHNAN
DIRECTOR

Binayak Datta
BINAYAK DATTA
DIRECTOR



ZUARI HOLDINGS LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	(Amount in Rs.)	(Amount in Rs.)
	As at	As at
	March 31, 2011	March 31, 2010

Schedule 1: Share Capital

<u>Authorised:</u>		
20,00,000 Equity shares of Rs.10/- each	20,000,000	20,000,000
	<u>20,000,000</u>	<u>20,000,000</u>
<u>Issued and Subscribed:</u>		
20,00,000 Equity Shares of Rs.10/- each	20,000,000	20,000,000
Less: Due from Subscriber to the Memorandum of Association	-	19,500,000
Amount Paid Up	20,000,000	500,000
(The above shares are held by Zuari Industries Limited, the holding company and its nominees, since 10 th March, 2011 previously held by Zuari Investments Limited)		
	<u>20,000,000</u>	<u>500,000</u>

Schedule 2: Cash and Bank Balances

In Scheduled Banks - Current Accounts	1,476,070	509,300
On Deposit account	18,000,000	
Stamps in Hand	260,000	
	<u>19,736,070</u>	<u>509,300</u>

Schedule 3 : Current Liabilities

Audit Fees payable	29,781	19,303
TDS Payable	3,309	-
<u>Sundry Creditors</u>		
Zuari Industries Limited - Ultimate Holding Company	-	10,510
Zuari Investments Limited - Holding Company	-	248,170
	<u>33,090</u>	<u>277,983</u>

Schedule 4 : Other Expenses

Printing & Stationery	1,249	-
Professional Fees	8,273	-
ETDS Filing Fees	280	-
Bank Charges	100	700
Incorporation expenses	-	248,170
RoC filing fees	4,085	510
	<u>13,987</u>	<u>249,380</u>



ZUARI HOLDING LIMITED

5. ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31.03.2011

A. ACCOUNTING POLICIES

i) Basis for preparation of accounts

These financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention and on accrual basis.

ii) Use of Estimates

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

iii) 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.

iv) Earnings per Share

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

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

B. NOTES ON ACCOUNTS

1. Basic and diluted earnings per share as per Accounting Standard – 20

Sr.No.	Particulars	Period ended March 31, 2011	Period ended March 31, 2010
a)	Loss for the period	28,337	2,68,683
b)	Weighted average number of equity shares	13,60,479	50,000
c)	Face value of per share	10	10
d)	Basic and diluted earnings per share	(0.01)	(5.37)



2. Related party disclosures under Accounting Standard – 18

- a) List of related parties as identified by the management:
 - i. Zuari Industries Limited - Holding Company since March 10, 2011 (where Control exists)
 - ii. Zuari Investments Limited - Holding Company (till March 09, 2011)

	31.03.2011	31.03.2010
b) Transactions carried out with related parties in the ordinary course of business:		
i Reimbursement of expenses incurred by Holding Company (Zuari Investments Ltd)	-	2,58,680
ii Reimbursement of expenses incurred by Ultimate Holding Company (Zuari Industries Ltd with effect from 10-03-2011)	4,085	-
iii Share Capital subscribed by Holding Company		
Zuari Industries Limited (from 10 March 2011)	2,00,00,000	-
Zuari Investments Limited (till 09 March 2011)	-	5,00,000
c) Balance Outstanding at the year end:		
1. Balance outstanding payable		
- Zuari Industries Limited (Holding Company)	-	10,510
- Zuari Investments Limited	-	248,170
2. Balance due from Zuari Investments Limited towards share Capital	-	1,95,00,000

As per our report of even date.

For V.SANKAR AIYAR & COMPANY
Chartered Accountants

V. Rethinam
V. Rethinam
Partner
Membership No. 10412

For and on behalf of Board of Directors

Suresh Krishnan
Suresh Krishnan
Director

Binayak Datta
Binayak Datta
Director

Place: New Delhi
Dated: 09.05.2011



ZUARI HOLDINGS LIMITED

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

State

Registration No.

Balance sheet Date

II. Capital raised during the year(Amount in Rs. Thousands)

Public issue

Bonus issue

Rights Issue

Private Placement

III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Sources of Funds

Total Liabilities

Paid-up Capital

Secured loans

Total Assets

Reserves & Surplus

Unsecured Loans

Application of Funds

Net Fixed Assets

Net Current Assets

Accumulated Losses

Investments

Misc. Expenditure

IV. Performance of Company(Amount in Rs. Thousands)

Turnover

+ - Profit/Loss Before Tax

(please tick Appropriate box +for Profit, -for loss)

Total Expenditure

+ - Profit/Loss After Tax

Earning Per Share in Rs.

Dividend @ %

V. Generic Names of Three Principal Products/Services of the Company (as per Monetary terms)

Item Code No.
(ITC Code)

Product Description