

INDEPENDENT AUDITORS' REPORT**To the Members of Zero Waste Agro-Organics Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of **Zero Waste Agro-Organics Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and 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"). This 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.

Auditors' 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 from material misstatement.

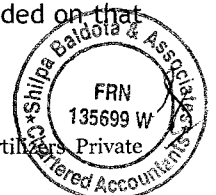
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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. 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 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 March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit / loss for the year ended on that date; and



SHILPA BALDOTA & ASSOCIATES

CHARTERED ACCOUNTANTS

Flat No. 1, Gangotri Complex, 927, Synagogue Street, Camp, Pune - 411001

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E-mail: baldotaoffice@gmail.com

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. 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 subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Shilpa Baldota & Associates

Firm Registration Number: FRN 135699W

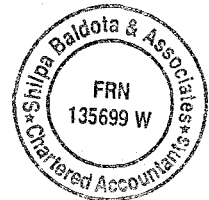
Chartered Accountants



Shilpa Baldota

Proprietor

Membership Number 127112



Pune

April 15, 2014

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Zero Waste Agro Organics Limited (formerly known as Zero Waste Fertilizers Private Limited) on the financial statements as of and for the year ended March 31, 2014

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

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory.
- iii. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)(b), (c) and (d) / (f) and (g) of the said Order are not applicable to the Company.
- iv. 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. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. Company has an internal audit system, the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.



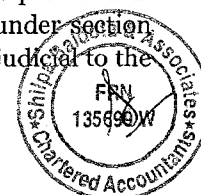
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- viii. Maintenance of Cost records is not applicable to the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, wealth-tax, service-tax and customs duty which have not been deposited on account of any dispute.
- x. As the company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable to the company for the current year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. We are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv. 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 paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi. The Company has not obtained any term loans.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the prices at which shares have been issued is not prejudicial to the interest of the company.



Annexure to Auditors' Report

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- xix. According to the information and explanations given to us, no debentures have been issued by the company during the year.
- xx. The Company has not raised money by way of public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Shilpa Baldota & Associates**

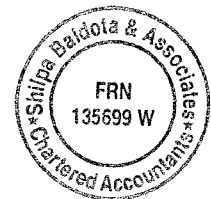
Firm Registration Number: FRN 135699W

Chartered Accountants



Shilpa Baldota
Proprietor

Membership Number 127112



Pune
April 15, 2014

	Note No.	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	7.36	5.68
Reserves and surplus	3	1,479.81	388.30
		1,487.17	393.98
Share application money pending allotment			
		-	-
Non-current liabilities			
Long-term borrowings		-	-
Deferred tax liabilities (Net)		-	-
Long-term provisions		-	-
Current liabilities			
Short-term borrowings		-	-
Trade payables		124.65	80.07
Other current liabilities	4	3.08	120.15
Short-term provisions		-	-
		127.73	200.22
Total		1,614.90	594.20
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	5	195.97	80.29
Deferred tax assets (net)	21	146.81	51.84
Long-term loans and advances	6	66.16	87.65
Other non-current assets		-	-
		410.28	219.78
Current assets			
Current investments	7	642.12	-
Inventories	8	318.98	331.23
Trade receivables		116.46	-
Cash and cash equivalents	9	4.95	15.80
Short-term loans and advances	10	122.11	27.39
Other current assets		-	-
		1,204.62	374.42
Total		1,614.90	594.20
Summary of significant accounting policies	1		

As per our attached report of even date

For **Shilpa Baldota & Associates**
Chartered Accountants
Firm Registration Number: 135699W



Shilpa Baldota
Proprietor
Membership Number 127112



Pune: 15-April-2014

For and on behalf of Board of Directors



Mr. VEERAMANI SHANKAR

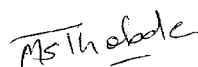


Mr. K R VENKATADRI



Mr. D K SUNDAR

Mr. SANJAY B THOBDE



Mrs MEENA SANJAY THOBDE

ZERO WASTE AGRO ORGANICS LIMITED

Statement of Profit and Loss for the year ended 31th March, 2014

Rs in lacs

Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Revenue from operations	808.92	250.33
Less : Excise Duty	-	-
Net Revenue from Operations	808.92	250.33
Other income	2.21	0.06
Total Revenue (I)	811.13	250.39
Expenses:		
Cost of materials consumed	539.72	356.83
Purchases of Traded Goods	-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	28.23	(262.65)
Employee benefits expense	54.00	38.25
Other expenses	466.36	259.44
Total expenses (II)	1,088.31	391.87
Earnings before interest, depreciation, tax and amortization (I-II)	(277.18)	(141.48)
Finance costs	-	0.08
Depreciation and amortization expense	24.64	9.99
Profit before tax	(301.82)	(151.55)
Tax expense:		
a. Current tax	-	-
c. Deferred tax - Charge (net)	(94.98)	(48.32)
Profit for the year	(206.84)	(103.23)
Earnings per equity share (₹):		
(1) Basic	(327.47)	(181.73)
(2) Diluted	(327.47)	(181.73)
Summary of significant accounting policies	1	

Notes referred to above form an integral part of the Statement of Profit and Loss and should be read in conjunction therewith.

As per our attached report of even date

For and on behalf of Board of Directors

For Shilpa Baldota & Associates

Chartered Accountants

Firm Registration Number: 135699W



Shilpa Baldota

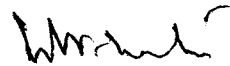
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Membership Number 127112

Pune: 15 April-2014



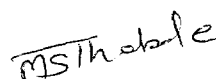

Mr. VEERAMANI SHANKAR



Mr. K R VENKATADRI

Mr. D K SUNDAR

Mr. SANJAY B THOBDE



Mrs MEENA SANJAY THOBDE

Rs in lacs

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Taxation	(301.82)	(151.55)
Adjustments for :		
Depreciation and amortisation expense	24.64	9.99
Interest expenses	-	0.08
Interest income	(2.21)	(0.06)
Operating Profit before Working Capital Changes	(279.39)	(141.54)
Adjustments for :		
Short-term provisions	-	(0.16)
Trade payables and other current liabilities	(72.49)	105.07
Trade receivables	(116.46)	-
Inventories	12.25	(301.91)
Long term loans and advances	(0.03)	(66.13)
Short term loans and advances	(94.72)	(6.13)
Other non-current assets	-	0.57
CASH GENERATED FROM OPERATIONS	(550.84)	(410.23)
Taxes paid (Net of Refund and interest on refund received)	-	(3.52)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	(550.84)	(413.75)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets (including CWIP)	(120.14)	(72.80)
Purchase of current investments	(642.12)	-
Interest/Dividend received	2.21	0.06
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	(760.05)	(72.74)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of equity shares	1,300.03	499.37
Interest Paid	-	(0.08)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	1,300.03	499.29
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B)	(10.86)	12.81
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Cash in Hand	-	-
Balances with Scheduled Banks on Current Account	15.80	2.99
	15.80	2.99
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash in Hand	-	-
Balances with Scheduled Banks on Current Account	4.95	15.80
	4.95	15.80
Footnotes:		
Cash and Cash Equivalents as above	4.95	15.80
Restricted Bank Balance	-	-
Balances with scheduled banks;	-	-
On Fixed Deposit as Margin Money against Bank Guarantees	-	-
CASH AND BANK BALANCES AS PER NOTE 9	4.95	15.80

Notes referred to above form an integral part of the Cash Flow Statement and should be read in conjunction therewith.

As per our attached report of even date

For Shilpa Baldota & Associates

Chartered Accountants

Firm Registration Number: 135699W

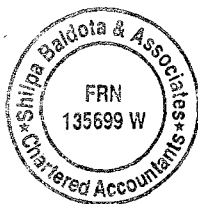


Shilpa Baldota

Proprietor

Membership Number 127112

Pune: 15-April-2014



For and on behalf of Board of Directors



Mr. VEERAMANI SHANKAR



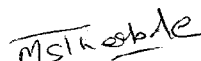
Mr. K R VENKATADRI



Mr. D K SUNDAR



Mr. SANJAY B THOBDE



Mrs MEENA SANJAY THOBDE

Note 1

Notes to Financial Statements for the year ended 31st March, 2014

1. Significant Accounting Policies: -

(a) Basis of Accounting

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956, and the applicable Accounting Standards referred to in section 211(3C) of the Companies Act, 1956. All income and expenditure having material bearing on the financial statements are recognised on accrual basis.

(b) Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(c) Fixed Assets and Depreciation / Amortisation

(i) Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to bring the asset to the location and condition for its intended use. Examples of directly attributable expenses included in the acquisition cost are delivery and handling costs, installation, legal services and consultancy services.

Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciation is provided on a straight line basis at rates and in the manner specified in Schedule XIV to the Companies Act, 1956, unless the use of a higher rate or an accelerated charge is justified through technical estimates. Fixed assets costing less than ` 5,000 are fully depreciated in the year of purchase. Extra shift depreciation is applied to applicable items of plant and machinery for days additional shifts are worked. Freehold land is not depreciated since it is deemed to have an indefinite economic life. The premium paid for acquiring leasehold land is amortised over the period of lease on a straight line basis.

(ii) Intangible assets and amortisation

Intangible assets other than goodwill are valued at cost less amortisation. These generally comprise of costs incurred to acquire computer software licences and implement the software for internal use (including software coding, installation, testing and certain data conversion) as well as costs paid to acquire studies for obtaining approvals from registration authorities of products having proven technical feasibility.

Costs incurred for applying research results or other knowledge to develop new products, are capitalised to the extent that these products or registrations are expected to generate future financial benefits. Other development costs are expensed as and when they arise.

Intangible assets are reported at acquisition value with deductions for accumulated amortisation and any impairment losses.

An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

(d) Impairment of assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor.

(e) Investments

Long term investments are valued at cost, less provision for other than temporary diminution in value, if any. Current investments are valued at the lower of cost and fair value.

(f) Inventory

Inventories are valued at the lower of cost and net realisable value.

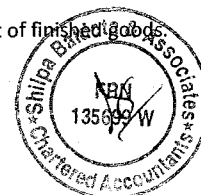
In case of raw materials, packing materials, stores and spare parts and traded finished goods, costs are determined in accordance with continuous moving weighted average principle. Costs include purchase price, non-refundable taxes and delivery and handling costs.

Cost of finished goods and work-in-progress are determined using the absorption costing principles. Cost includes cost of materials consumed, labour and a systematic allocation of variable and fixed production overheads. Excise duties at the applicable rates are also included in the cost of finished goods.

Net realisable value is estimated at the expected selling price less estimated completion and selling costs.

(g) Revenue Recognition

Sales include products and services, net of trade discounts and exclude sales tax, state value added tax and service tax.



With regard to sale of products, income is reported when practically all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled. This usually occurs upon dispatch, after the price has been determined and collection of the receivable is reasonably certain.

Income recognition for services takes place as and when the services are performed.

Amounts received from customers specifically towards setting up / expansion of manufacturing facilities, linked to a contractual arrangement for supply of specified quantities of product manufactured from the said facilities at pre-determined prices, are treated as current liabilities and recognized as revenue in the Statement of Profit and Loss over the contracted period of supply in proportion to the quantities dispatched.

(h) Financial Income and Borrowing Cost

Financial income and borrowing cost include interest income on bank deposits and interest expense on loans.

Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any.

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use when interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

(i) Foreign Currency Transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognised as income or expenses in the Statement of Profit and Loss.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are valued at year end rates, and unrealised translation differences are included in the Statement of Profit and Loss.

Investments in foreign currency (non monetary items) are reported using the exchange rate at the date of the transaction.

The Company's forward exchange contracts are not held for trading or speculation. The premium/discount arising on entering into such contract is amortised over the life of such contracts and exchange differences arising on such contracts are recognised in the Statement of Profit and Loss.

Hedge Accounting

The Company uses currency option contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. The Company designates such currency option contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30 Financial Instruments: Recognition and Measurement.

These contracts are stated at fair value at each reporting date. Changes in the intrinsic value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account under Reserves and Surplus, net of applicable deferred income taxes. The ineffective portion and the time value is recognised immediately in the Statement of Profit and Loss.

Amounts accumulated in Hedging Reserve Account are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve Account is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Hedging Reserve Account is immediately transferred to the Statement of Profit and Loss for the period.

(j) Employee Benefits

As per present policy of the Company, employees are not entitled to any retirement benefits as such so the same have not been provided in the accounts.

(k) Taxes on Income

The Company's income taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes, those that have been enacted or substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

(l) Lease Accounting



(i) Operating Leases

Lease of an asset whereby the lessor essentially remains the owner of the asset is classified as operating lease. The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

(ii) Finance Leases

Assets taken on finance lease after 1st April, 2001, are capitalised at fair value or net present value of the minimum lease payments, whichever is lower.

Depreciation on the assets taken on lease is charged at the rate applicable to similar type of fixed assets as per the Company's accounting policy on depreciation as stated above. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged in accordance with the Company's depreciation policy as stated above or in a straight line basis over the lease period, which ever is shorter.

Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease.

(m) Segment Reporting

Not applicable

(n) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. A contingent asset is neither recognised nor disclosed.

(o) Cash Flow Statements

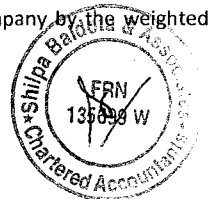
Cash-flow statements are prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 - Cash Flow Statements as prescribed under section 211(3C) of the Companies Act 1956.

(p) Cash and Cash Equivalents

Cash and bank balances and current investments that have insignificant risk of change in value, which have durations up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

(q) Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.



Zero Waste Agro-Organic Limited

Audit for the period ended 31st March, 2014

r Related party Disclosure (Disclosure as required by Accounting Standard (AS) 18)

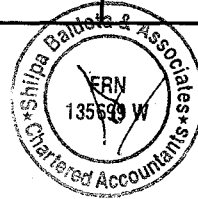
List of Related Parties and Balances and Transactions with them.

1. Name of the related parties and description of relationship:

Nature of Relationship	Name of Entity
Holding Company :	RALLIS INDIA LIMITED
Key Management personnel :	MR. V SHANKAR - MANAGING DIRECTOR

2. Transactions during the period with related parties

Transactions	Name of Entity	Amount	
		Rupees in Lacs	Rupees in Lacs
Transactions:		2013-14	2012-13
Sales	RALLIS INDIA LIMITED	812.84	137.80
Discount allowed	RALLIS INDIA LIMITED	3.92	15.16



2 Share Capital:

Authorised

Equity Shares of `1 each

Issued, Subscribed and Fully Paid up

Equity Shares of `1 each fully paid-up

Total

As at 31st March, 2014		As at 31st March 2013	
Number	Rs in lacs	Number	Rs in lacs
75,000	7.50	75,000	7.50
73,645	7.36	56,803	5.68
73,645	7.36	56,803	5.68

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

At the beginning of the year

Fresh issue during the year

Outstanding at the end of the period

As at 31st March, 2014		As at 31st March 2013	
Number	Rs in lacs	Number	Rs in lacs
50,325	5.03	50,325	5.03
23,320	2.33	6,478	0.65
73,645	7.36	56,803	5.68

b. The Equity Shares of the Company have voting rights and are subject to the preferential rights as prescribed under law or those of the preference shareholders, if any. The Equity Shares are also subject to restrictions as prescribed under the Companies Act, 1956.

c. Shares held by Holding /Ultimate Holding Company and /or its subsidiaries /associates:

Out of total equity shares issued by the Company, shares held by its holding company, ultimate holding company and its subsidiaries/associates are as below:

Name of the Promoter

Rallis India Limited * (Holding/ Ultimate Holding Company)

As at 31st March, 2014		As at 31st March 2013	
Number	Rs in lacs	Number	Rs in lacs
37,571	0.38	12,956	0.13

* Of the above equity shares 3,887 equity shares were issued by the Company on 31st July 2013 and 12955 equity shares were issued on 16th December 2013.

d. Details of shareholders holding more than 5% shares in the Company:

Name of Shareholder

Rallis India Limited

Benjamin James

Sanjay Thobde

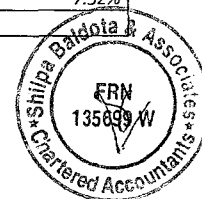
Austinch Pty. Ltd

Blue Heritage Pty. Ltd

Mahendra Shah

As at 31st March, 2014		As at 31st March 2013	
No. of Shares	% Holding	No. of Shares	% Holding
37,571	51.02%	12,956	22.81%
11,985	16.27%	14,590	25.69%
7,866	10.68%	9,576	16.86%
3,993	5.42%	4,861	8.56%
3,993	5.42%	4,861	8.56%
3,507	4.76%	4,270	7.52%

e. As per records of the company, no calls remain unpaid by the directors and officers of the Company as on 31st March, 2014.



3 Reserves and Surplus

Securities Premium Account

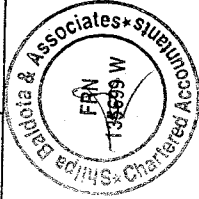
Surplus in the Statement of Profit and Loss

Balance as per last financial statements

Net Profit For the current year

Net Surplus in the Statement of Profit and Loss

Rs in lacs		As at		As at		As at	
1st April, 2013		1st April, 2012		1st April, 2012		31st March, 2013	
As at	Additions	Deductions	As at 31st March, 2014	Additions	Deductions	As at 31st March, 2014	As at
499.39	1,298.35	-	1,797.74	499.39	-	499.39	499.39
499.39	1,298.35	-	1,797.74	499.39	-	499.39	499.39
(111.09)	-	-	(111.09)	-	-	-	-7.86
-	(206.84)	-	(206.84)	(103.23)	-	-	(103.23)
(111.09)	(206.84)	-	(317.93)	(103.23)	-	-	(111.09)
388.30	1,091.51	-	1,479.81	396.16	-	-	388.30



4 Other Current Liabilities:

Rs in lacs

a. Trade Payables *

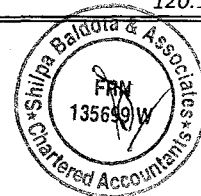
Other Liabilities

i. Other Payables:

Salary and Reimbursements
 Other employee deductions
 Customer Advances and Deposits
 VAT payable
 Tax deducted at source

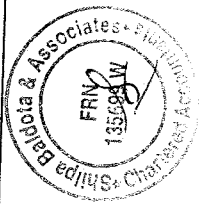
As at 31st March, 2014	As at 31st March 2013
0.63	3.18
0.81	0.56
-	113.75
-	0.29
1.64	2.36
3.08	120.14

Total



Rs in lacs

	Gross Block (At Cost)			Accumulated Depreciation/Amortisation			Net Block		
	Balance as at 1st April 2013	Additions	Disposals	As at 31st March, 2014	Balance as at 1st April 2013	Depreciation charge for the year	On disposals	As at 31st March, 2014	Balance as at 31st March, 2013
a									
Tangible Assets									
Plant and Equipment	88.84	139.96	-	228.80	9.91	24.40	-	194.49	78.93
Furniture and Fixtures	1.44	0.36	-	1.80	0.07	0.25	-	1.48	1.37
Vehicles	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-
Total	90.28	140.32	-	230.60	9.98	24.65	-	195.97	80.30
c									
Capital Work In Progress									
Total	-	1.34	-	1.34	-	-	-	1.34	-
Total Fixed Assets	90.28	141.66	-	231.94	9.98	24.65	-	197.31	80.30



Long-term loans and advances:

(Unsecured, considered good unless otherwise stated)

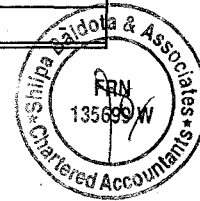
Rs in lacs

	As at 31st March, 2014	As at 31st March 2013
Capital Advances	-	21.52
Security Deposits	66.16	66.13
Other Loans and Advances	-	-
Advance Income Tax (net of provisions)	-	-
Total	66.16	87.65

No amount due by Directors / officers of the company as on date (Previous Year Nil)

7 Current investments

Particulars	As at 31st March, 2014	As at 31st March 2013
	Rs in lacs	Rs in lacs
a. Investments in Debentures or Bonds	-	-
b. Investments in Mutual Funds	642.12	-
Total (A)	642.12	-
Less : Provision for dimunition in the value of Investments		
Total	642.12	



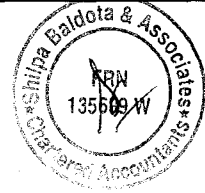
8 Inventories:

(Valued at the lower of cost and net realisable value)

- a. Raw Materials and components
 - b. Work-in-progress
 - c. Finished goods
 - d. Packing Materials
- Total**

Rs in lacs

As at 31st March, 2014	As at 31st March 2013
32.69	33.45
18.36	7.96
216.06	254.69
51.87	35.13
318.98	331.23



9 Cash and cash equivalents:

(including other Bank Balances)

Cash and Cash equivalents

- a. Balances with banks :
on Current accounts

Total

Rs in lacs

As at 31st March, 2014	As at 31st March 2013
4.95	15.80
4.95	15.80

10 Short-term loans and advances:

(Unsecured, considered good unless otherwise stated)

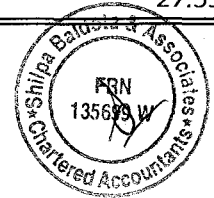
- a. Advances Recoverable in Cash or in Kind

- b. Balances with Government Authorities

Total

Rs in lacs

As at 31st March, 2014	As at 31st March 2013
105.35	24.82
16.78	2.57
122.13	27.39



11 Revenue from Operations:

Rs in lacs

Sale of products (Refer Note No. 33)

Own Manufactured Goods
Less : Excise duty
Total

For the year ended 31st March, 2014	For the year ended 31st March 2013
808.92	250.33
-	-
808.92	250.33

12 Other Income:

Rs in lacs

Interest Income

On refund of taxes
On term and fixed deposits

Income from Investments

On current investments
On long term investments

Dividend income

On current investments
On long term investments

Net gain on Foreign currency transactions and translation

Gains in Forex Transactions
Loss in Forex Transactions

(other than considered as finance cost)

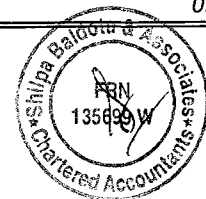
Surplus on Liquidation of Subsidiary

Profit on sale of Fixed Assets (net)

Sundry Income

Rent
Insurance Claim Received
Cash Discounts & Other Sundry
Balances W/back
Total

For the year ended 31st March, 2014	For the year ended 31st March 2013
-	-
0.09	0.06
2.12	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
37.92	-
-	-
-	-
37.92	-
-	-
-	-
40.13	0.06



13 Cost of materials consumed:

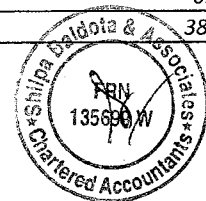
	Rs in lacs	
	For the year ended 31st March, 2014	For the year ended 31st March 2013
Raw Materials Consumed		
Opening Stock	33.45	29.32
Add : Purchases	464.79	267.00
Less : Closing Stock	32.69	33.45
	465.54	262.86
Packing Materials Consumed	112.10	93.97
Total	577.64	356.83

14 Changes in inventories of finished goods work-in-progress and Stock-in-Trade:

	Rs in lacs	
	For the year ended 31st March, 2014	For the year ended 31st March 2013
Opening Stock		
Finished Goods - Own Manufactured	254.69	0.00
Work in progress	7.96	0.00
	262.65	0.00
Closing Stock		
Finished Goods - Own Manufactured	216.06	254.69
Finished Goods - Traded	-	0.00
Work in progress	18.36	7.96
	234.42	262.65
Total	28.23	(262.65)
Total Consumption - Derived	605.87	94.18

15 Employee benefits expense:

	Rs in lacs	
	For the year ended 31st March, 2014	For the year ended 31st March 2013
(a) Salaries and Wages	53.89	38.18
(d) Staff welfare	0.11	0.07
Total	54.00	38.25



16 Other expenses:

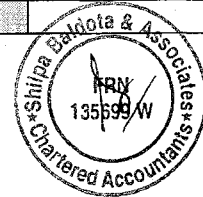
Freight, Handling and Packing
Travelling
Power and Fuel
Repairs :
Others
Stores and Spares Consumed
Rates and Taxes
Cash Discount
Insurance
Rent
Selling Expenses
Legal and Professional Expenses
Communication
Printing & Stationery
Advertisement - Products
Commission & Brokerage
Misc Expenses
Security Arrangement
ETP/SHE Exps
Auditors Remuneration
Total

	Rs in lacs	
	For the year ended 31st March, 2014	For the year ended 31st March 2013
	230.90	74.44
	28.32	27.42
	4.17	4.79
	3.70	1.12
	9.86	14.43
	24.56	10.66
	-	15.27
	1.58	0.32
	73.35	66.80
	0.88	0.71
	82.76	38.44
	1.14	0.95
	0.46	0.26
	-	0.06
	0.45	0.24
	0.70	0.16
	1.97	0.94
	-	1.83
	1.56	0.60
	466.36	259.44

17 Finance costs :

Interest expense on:
Other interest
Total

	Rs in lacs	
	For the year ended 31st March, 2014	For the year ended 31st March 2013
	-	0.08
	-	0.08



18 Other Expenses include Auditors' Remuneration as under:

Rs in lacs

Particulars	2013-14	2012-13
Audit Fees	1.05	0.45
Tax Audit	0.15	0.15

19 Expenditure in Foreign Currency

Purchase of raw material of Rs. 17.95 Lac (Previous Year Nil)

20 Amount Payable to SSI

The company did not receive any intimation from its vendors regarding their status under Industrial (Development & Regulation) Act, 1951 & hence disclosures, if any, required under the said Act have not been made.

The Company has not received any intimation from its vendors regarding their status under Micro, Small & Medium Enterprises Development Act, 2006 & hence disclosures, if any, required under the said Act have not been made. In the absence of any such intimation, the company has not made provisions of interest payable if any. The same is not expected to be material.



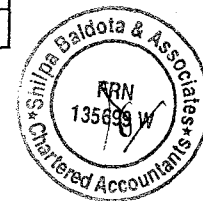
11. Deferred tax assets and liabilities: -

(a) The components of deferred tax assets and liabilities are as under:

Particulars	Rs in lacs	
	2013-14	2012-13
Deferred Tax Assets		
On Provision against debts and advances	-	0.00
On other items	51.83	3.51
Total	51.83	3.51
Deferred Tax Liabilities		
On fiscal allowance on fixed assets	-	0.00
On other items	-94.98	-48.32
Total	-94.98	-48.32
Net Deferred Tax Asset / (Liability) Recognised	146.81	51.83

(b) Deferred tax charge for the year:

Particulars	Rs in lacs	
	2013-14	2012-13
Opening Net Deferred Tax Asset	51.83	(51.83)
Less: Closing Net Deferred Tax Liability	146.81	100.15
Deferred Tax charge for the year	(94.98)	(151.98)



22 Earnings per Share: -

Particulars	Rs in lacs	
	2013-14	2012-13
Net Profit After Tax	-206.84	-103.23
Weighted average No. of Equity Shares for Basic / Diluted EPS (Nos)	63,164	56,803
Nominal Value of Equity Per Share (in `)	10.00	10.00
Basic / Diluted Earning Per Share (in `)	-327.47	-181.73

23 Estimated amounts of contracts remaining to be executed in capital account is Rs 0.94 Lacs

24 Previous year numbers have been regrouped/recasted wherever necessary.

