

ZUARI INDUSTRIES LIMITED



DIRECTORS

: Saroj Kumar Poddar, Chairman
H. S. Bawa, Managing Director
Shyam Bhartia
Arun Duggal
D. B. Engineer
J. N. Godbole
Jyotsna Poddar
S. P. Tyagi
Marco Wadia

GENERAL MANAGER

LEGAL AFFAIRS & COMPANY SECRETARY : R. Y. Patil

EXECUTIVE PRESIDENT

: Suresh Krishnan

VICE PRESIDENTS

: L. M. Chandrasekaran
Naveen Kapoor
Binayak Datta
V. K. Sinha

BANKERS

: State Bank of India
HDFC Bank Limited
Corporation Bank
Canara Bank
ICICI Bank
IDBI Bank

LEGAL ADVISERS

: Crawford Bayley & Co., Mumbai
Khaitan & Co., Kolkata

AUDITORS

: S. R. Batliboi & Co.
Chartered Accountants, Gurgaon

REGISTERED OFFICE

: Jai Kisaan Bhawan
Zuarinagar, Goa 403 726.

DIRECTORS' REPORT

To the Members,

1. Your Directors place before you the Forty-Second Annual Report of the Company together with Statement of Accounts for the accounting year ended 31st March, 2010.

2. **Financial Results and Appropriation :**

	Rs.in lacs	Previous Year Rs.in lacs
Profit for the year before depreciation and taxation	23,914.51	14,317.34
Less :Depreciation for the year	1,950.76	1,775.12
Profit/(loss) before tax	21,963.75	12,542.22
Less : Provision for taxation		
– Current Tax	8,041.29	3,627.04
– Tax adjustment relating to earlier year	(12.38)	(0.63)
– Deferred Tax charge	(1,755.14)	(482.64)
– Fringe Benefit Tax	(6.12)	70.00
Profit/(loss) after tax	15,696.10	9,328.45
Add : Balance of profit brought forward	53,067.95	49,772.82
Less : Transfer to general reserve	5,000.00	5,000.00
Proposed Dividend : 45% (PY 30%)	1,324.83	883.22
Tax on dividend (Including Surcharge)	225.15	150.10
Balance of profit carried forward	62,214.07	53,067.95

3. Dividend:

The Directors recommend a dividend of Rs.4.50 per equity share (Rs.3.00 per equity share in the previous year).

4. Debt Servicing:

Your Company has met all obligations towards repayment of principal and interest on all loans.

5. Fixed Deposits:

As reported last year the Fixed Deposit Scheme of the Company was discontinued during that year and has stopped renewals and accepting fresh deposits. Deposits accepted earlier and matured during the year, have been repaid alongwith interest as on 31st March, 2010 in accordance with the terms of deposits. 300 deposits amounting to Rs.48.72 lakhs which had matured have not been claimed. The Company advises the depositors at regular intervals for repayment of the deposits. During the year, the Company has transferred an amount of Rs.2.47 lakhs towards unclaimed / unpaid deposits and interest thereon to 'The Investors Education and Protection Fund', pursuant to Section 205 C of the Companies Act, 1956.

6. Directors:

Mr. Arun Duggal, Mr. J.N. Godbole and Mr. D.B. Engineer, retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The resumé and details of other directorships and committee memberships of Mr. Arun Duggal, Mr. J.N. Godbole and Mr. D.B. Engineer, are given in Annexure 'C' to this report.

7. Auditors:

The Auditors M/s. S.R. Batliboi & Co., Chartered Accountants, Gurgaon, retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

8. Conservation of Energy:

Information disclosing particulars of conservation of energy is given in Annexure 'A' to this report.

9. Technology Absorption:

No new technology was absorbed during the year 2009-10.

10. Foreign Exchange earnings and outgo:

By producing fertilizers, of which the country is a net importer, there has been savings of valuable foreign exchange to the National exchequer. Foreign exchange earnings and outgo is noted under Schedule 18 (Note 7(C)(ii), 7(E), 7(F) and 10) of the Annual Report and Accounts.

11. Capital Projects:

During the year, as part of energy saving efforts, the Crystallizer pit pump drive in Urea Plant was changed over from motor to steam turbine by utilizing the steam let down through the system.

As reported last year, per the Government of India policy, all naphtha based fertilizer plants were required to convert to natural gas as feedstock by March 2010. Your Company has already signed an agreement with Gas Authority of India Ltd. (GAIL) for supply and transportation of gas by December 2012. Based on the Basic Engineering Design package supplied by M/s. Kellogg Brown & Root, U.S.A., all actions have been taken for procurement of new equipment as well as modification of existing equipment. Meanwhile, Government of India has as of March 2010, the existing policy and consequently the deadline for conversion of Naphtha based Plants to Gas has been extended until further advice. All the modifications required for feedstock conversion from naphtha to natural gas are planned to be completed by April, 2011.

12. Environment & Safety:

The Company's Fertiliser Plant continues to be a 'Zero Effluent Plant' since 1990 and the man-made green belt around the Complex continues to flourish and attract a variety of wild life.

The Company continues to give thrust to the safety initiatives across all functions including contract workers.

An offsite emergency mock drill of simulated ammonia leakage was organized by the South Goa District Administration on November 13, 2009. This drill was witnessed by Brigadier (Dr.) B.K. Khanna, Director, National Disaster Management Authority (NDMA) and Mr. Trivedi, Deputy Director, National Disaster Management Institute (NDMI). During the review meeting, NDMA Director, Brigadier (Dr.) Khanna, appreciated the Company and South Goa District Administration for conducting one of the best drills he has witnessed in the country.

13. Personnel:

There has been continuous focus on building human resources through enhancing competencies, commitments & culture building to facilitate the alignment of human capital with organizational goals. An ongoing system of reviews & feedback to enhance the engagement of people with the organization is maintained.

Particulars of employees to be furnished under Section 217 (2A) of the Companies Act, 1956 and the rules framed thereunder, are annexed to this Report as Annexure 'B'.

14. Subsidiary Companies:

In accordance with Accounting Standard 21, Consolidated Financial Statements presented by the Company include the financial information of its subsidiaries. The Company has received approval of the Central Government u/s 212(8) of the Companies Act, 1956 exempting the Company from the purview of section 212(8) of the Act. Therefore the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the

Auditors of the Subsidiary Companies are not attached. The Company will make available these documents/details upon request to any member of the Company interested in receiving this information. The Annual Accounts of the Subsidiary Companies will also be kept for inspection by any investor at the Registered Office of the Company and Subsidiaries.

Effective 9th August, 2009 Globex Ltd. became wholly owned subsidiary of the Company and effective 29th January, 2010 Zuari Fertilisers & Chemicals Limited, became wholly owned subsidiary of the Company. On 10th September, 2009 Zuari Investments Limited, a subsidiary of the Company acquired 100% equity stake in Zuari Holdings Ltd. making it a wholly owned subsidiary.

A brief review of subsidiaries and joint ventures of the Company is given herebelow:-

Subsidiaries :

a. Globex Ltd. :

Globex Ltd., an offshore subsidiary Company, was established at Jebel Ali Free Zone on 9th August, 2009. The Company was established with a view to carry out General Trading in fertilizers and commodities and investment in properties/Companies, property development etc.

b. Gulbarga Cement Limited (GCL) :

Gulbarga Cement Limited, a wholly owned subsidiary of the Company owns limestone Mining Lease of 989.89 hectares at Ferozabad in Gulbarga District of Karnataka.

The Company, has received clearance from the Ministry of Environment & Forests, for setting up Cement Plant of 3.23 million tonnes per annum and Coal Based Power Plant (50 MW) in Gulbarga, District of Karnataka.

The Company is in the process of acquiring the land for setting up Cement Plant and obtaining various other approvals for the same.

c. Indian Furniture Products Limited (IFPL):

IFPL, a wholly owned subsidiary of the Company, is engaged in manufacturing of Ready-To-Assemble (RTA) furniture of international quality through its state-of-the-art plant at Kakkalur near Chennai. The Plant is highly automated and is CNC (Computer Numeric Control) operated. The factory has a floor area of 225,000 sq.ft. and has capacity to produce 200,000 units of furniture annually. The company has been awarded with ISO 9001:2000 by TUV Suddeutschland accredited by TUV, Germany.

The Company has achieved a turnover of Rs. 100 crores during the current financial year. The mass distribution channel under 'Zuari' brand has grown by 10% as there was some decline in the institutional segment business.

The company has undertaken debottlenecking operations in the plant and has invested about Rs. 1.5 crores in setting up a new line in the factory. An aggressive growth plan has also been worked out and the showrooms have been spruced up. The impact of all these will be visible during the next financial year.

d. Simon India Limited (SIL) :

SIL, a wholly owned subsidiary of your Company, is engaged in Engineering Procurement and Construction (EPC) activities and has achieved a turnover of Rs. 269.83 crores during the current financial year. SIL has an order book of Rs.190.86 crores and is currently executing several major projects in India and overseas.

The major Projects under execution are as follows:

1. Ammonia abatement & Flare System Project for SABIC in Saudi Arabia
2. Gypsum storage and handling Project for Paradeep Phosphates Limited, Orissa.
3. Dewatering Project for Hindustan Zinc at Bhilwara.

SIL is also bidding for several other projects in India and overseas.

e. Zuari Developers Limited (ZDL):

Zuari Developers Limited (ZDL), a wholly owned subsidiary of your Company is engaged in the business of real estate. ZDL, is currently, in the process of development of approx. 73 acres of land at Hulikeri, Srirangapatnam Taluk, Mandya District, Karnataka for Company's Zuari Garden City Project.

f. Zuari Fertilisers & Chemicals Limited (ZFCL) :

Zuari Fertilisers & Chemicals Limited (ZFCL) is a wholly owned subsidiary of your Company.

The Company has received Karnataka High Level Clearance Committee approval for setting up 11.55 lakhs MTPA of Urea manufacturing plant at Biranhali Village, Hukkeri Taluka in Belgaum District of Karnataka.

The Company is in the process of obtaining various approvals from State and Central Government for the same.

g. Zuari Infrastructure and Developers Limited (ZIDL):

Zuari Infrastructure and Developers Limited (ZIDL), is a wholly owned subsidiary of the Company was incorporated with an objective to set up and develop Special Economic Zone (SEZ) for Information Technology (IT) and Information Technology Enabled Services (ITES). The Company also proposes to enter into the business of Real Estate and the other related services.

h. Zuari Investments Limited :

Zuari Investments Limited, a subsidiary of the Company, is a member of both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) for equity as well as Future

& Option (F&O) segment. It is a depository participant with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Besides being empanelled with Association of Mutual Fund of India (AMFI) for distribution of Mutual Fund products, the company is also a member of Over the Counter Exchange of India (OTCEI) and a Category-II Registrar and Share Transfer Agent registered with Securities and Exchange Board of India (SEBI). The Company has corporate office in Delhi and 17 branches in different parts of India.

Zuari Investments Limited has four wholly owned subsidiaries i.e.

- i. **Zuari Insurance Brokers Ltd. (previously Zuari Chambal Insurance Brokers Ltd.) :**
The name of the company was changed from Zuari Chambal Insurance Brokers Limited to Zuari Insurance Brokers Limited on 21-10-2009. The Company is an Insurance Regulatory and Development Authority (IRDA) licensed Direct Broker for Life and Non-life segment.
- ii. **Zuari Commodity Trading Ltd. :**
The Company has become a member of National Commodity Derivative Exchange Limited (NCDEX) and Multi Commodity Exchange Limited (MCX). The activation of trading could not be done as the MCX required an approval from Foreign Investment Promotion Board (FIPB) which is under process.
- iii. **Zuari Financial Services Ltd. :**
The Company has submitted requisite papers to Reserve Bank of India (RBI) for registration as Non Banking Finance Company (NBFC). The registration has not yet been received.
- iv. **Zuari Holdings Limited :**
A wholly owned subsidiary was incorporated on 10th September 2009 for making the strategic investments. With these services Zuari investments Limited would be offering complete bouquet of financial services and will become one stop shop for Stock Broking, Depository Services, Investment Advisory Services, Insurance Broking Services and Commodity Broking Services and is fully poised to become a significant player in the capital market.
- i. **Zuari Seeds Limited (ZSL) :**
Zuari Seeds Limited, a wholly owned subsidiary of the Company, is engaged in R&D, production and marketing of hybrid seeds. The Company has achieved a turnover of Rs. 35.59 crores during the current financial year.
The Company continues to focus on providing superior quality hybrid seeds to the farming community. The Company's seeds are also exported to Bangladesh and other neighboring countries.
The company has achieved a milestone development in

signing the technology sharing agreement with Monsanto India Ltd for BGII cotton. Out of the total Hybrid cotton seed market in India the BGII technology based hybrids have almost 95% of the market share.

Two new Maize high value segment hybrids developed by the Company are showing encouraging results in the states of Karnataka and Maharashtra. Three Okra Hybrids are showing promising results in resistance to the YMVirus. A High value Tomato Hybrid –Shivani was also launched during the year.

15. Joint Ventures:

- a. **Zuari Maroc Phosphates Limited (ZMPL) :**
Zuari Maroc Phosphates Limited (ZMPL), a 50:50 joint venture with Maroc Phosphore S.A., Morocco, was established as Special Purpose Vehicle (SPV) for acquisition of Paradeep Phosphates Limited (PPL). At present, the Company is holding 80.45% of the equity stake in PPL.
PPL's sales and operating revenue including subsidy and other income for the year 2009-10 was Rs. 3151.14 crores as compared to the previous year Rs. 5609.74 crores.
PPL continues to increase its market share in its marketing areas. The sale of own fertilizers and traded fertilizers for the year 2009-10 was 12,34,963 MT and 2,23,837 MT respectively.
- b. **Zuari Indian Oiltanking Limited (ZIOL) :**
Zuari Indian Oiltanking Limited (ZIOL) a 50:50 joint venture between Zuari Industries Limited and Indian Oiltanking Limited (IOTL) has state-of-the-art terminalling facility for petroleum products namely Naphtha, Motor Spirit, High Speed Diesel & Superior Kerosene. The Terminal at Goa with 71000KL tankage is situated 85 M above sea level with a 14 KM long piggable pipeline from Mormugao Harbour, Goa.
The Company provides terminalling services to Zuari Industries Limited, Hindustan Petroleum and Bharat Petroleum.
In the year 2009-10, the terminal has achieved a throughput of 6,25,007 KL @15 degree.
- c. **Zuari Rotem Speciality Fertilisers Limited (ZRSFL) :**
Zuari Rotem Speciality Fertilisers Limited (ZRSFL) is a 50:50 joint venture with Rotem Amfert Negev Limited (Rotem), Israel.
The Company was incorporated with the objective to produce Water Soluble Fertilizers (WSF) and market it in the marketing of Zuari Industries Limited and other areas in India by using the strong marketing and dealer network of Zuari Industries Limited. The plant has capacity to produce up to 24,000 MT of WSF per annum at Baramati in Maharashtra.
Initially, the plant will manufacture one WSF grade, namely 19:19:19 i.e. 'PURNA 19' Subsequently, the plant

will produce other grades to meet market requirement. The construction of plant is completed and the plant was commissioned on 27th March 2010.

During the year 2009-10 ZRSFL has undertaken trading activity of importing and marketing of WSF. The turnover for the year was approx. Rs 23 crore.

16. Corporate Governance:

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement is enclosed as Annexure 'C'. The Auditor's Certificate on Compliance of conditions of Corporate Governance is enclosed as Annexure 'D', Declaration of Managing Director as Annexure 'E' and the Management Discussion & Analysis as Annexure 'F'.

17. Corporate Social Responsibility:

A. Care for Stakeholder

- a. Customers : Being responsible corporate citizen, Zuari is engaged in the various farmer education activities like farmer meetings, training programs, visits to research stations, crops seminars, etc. During the year 2009-10, Zuari organized 318 visits of farmers to research stations and 143 crop seminars.
- b. Employees: The Company has a structured schedule for various training programs that are conducted to upgrade employees professional skills within the company and by nominating them to outside programs conducted by reputed institutions.

B. Ethical Functioning

As a responsible corporate, the Company provides quality products to the farmers and is conscious about its responsibilities to provide modern extension services to our farmers including balanced use of fertilizers and other agri inputs. The Company advertises the Maximum Retail Prices of its various fertilizers through leading newspapers to create awareness amongst the dealers and farmers.

C. Respect for Workers' right and welfare :

Zuari has established a comfortable work environment and complies with laws, regulations and ethics relating to employment and labour, has a healthy respect for workers, gives high priority to the employee welfare measures.

The company employees have full freedom of association and have right of collective bargaining. The Company prohibits child labour and forced labour and has an effective redressal system. Every employee has been provided with access to training and development for improving skills required for career advancement.

D. Respect for human rights:

Zuari respects individual human rights and does not discriminate against individuals based on race, colour,

religion, caste, sex, social status and physical or mental disability. The Company takes active steps to ensure no infringement of human rights.

E. Respect for Environment :

The Company's plant at Zuarinagar is a zero effluent plant since 1990 with good habitation of wild life in the green belt created by the Company.

The Company maintains the median plantation besides garbage collection at four lane highway between Dabolim Airport and BITS Pilani – K K Birla Goa Campus at Zuarinagar covering distance of five kilometers.

F. Activities for Social and Inclusive development :

- a. Animal health camps : Under Customer Relationship Management Program (CRM) "Jaikisaan Sangam", the company organizes veterinary health camps in villages in collaboration with doctors from local Veterinary Department. On an average around 100-150 animals are treated in a camp. In 2009-10, the company organized 198 animal health camps in its marketing territory.
- b. Family health camps : The Company organizes family and children's health check up camps in villages covered under Jaikisaan Sangam program. During such camps, selected medicines are provided free of cost to the needy people. In 2009-10, the company organized 71 family / children health camps in different parts of its marketing territory.
- c. Jaikisaan Krishi Samrat Award : With a view to encourage farmers to modernize their agriculture, Zuari has instituted "Jaikisaan Krishi Samrat award". The award is presented to outstanding farmer for his contribution to farming community at large. The award comprises a citation, a shield and a cash prize of Rs.50,000. The award for the year 2009-10 was presented to a progressive farmer, Shri Shivanna Chowdihal from Bijapur district of Karnataka for his outstanding work in promoting horticultural crops in northern Karnataka.
- d. Telephone help line "Hello Jaikisaan" : For farmers of Maharashtra and Karnataka, the Company is operating a help line service "Hello Jaikisaan". Farmer from any corner of the state can dial the respective help line number and seek the answer to his agri-related problem. During the year 2009-10, 12218 farmers from Maharashtra and 4726 farmers from Karnataka availed the benefit of the help-line service of the company.
- e. Relief to Flood affected farmers : Incessant rain in the first week of October, 2009 had caused unprecedented damage to life and property in six districts of northern Karnataka. Zuari provided relief in the form of food packets to the three worst affected villages of Bagalkot district. Zuari has extended its helping hand to the



flood victims of Canacona taluka of Goa, in September, 2009. Over twenty two tonnes of high yielding paddy seed was provided to about 850 families of the block during Rabi 2009-10 seasons.

- f. Rural sports : To inculcate competitive spirit among the youth in rural areas, Zuari sponsors several sports activities in rural areas. During the year 2009-10, company sponsored 7 Wrestling Competitions, 3 Bullock Cart Races, 1 Cycle Race, 3 Bullock Stone Pulling competitions, 1 Volleyball Competition and 1 Cricket Tournament in various parts of marketing territory.
- g. Schools : The Company endeavours to augment facilities for quality education in the surrounding schools at Zuarinagar. In line with the same, the Company, recently, has developed the play ground for the Government High School at Zuarinagar..
- h. Traffic sign boards and road signage : Company has supplied 220 sign boards which are displayed on important roads and by lanes with a view to facilitate traffic in Vasco town.
- i. Potable water : Potable water is being supplied through 25 public taps to around 1000 residents of three villages in the vicinity of Company's Complex.
- j. Scholarships : The company has instituted two annual scholarships, one each for degree course in Engineering and Agriculture. Each scholarship is of Rs.12,000/- per annum, covering full duration of degree course. Zuari also awards four scholarships for two year Higher Secondary course to the toppers in SSC from four neighbouring high schools of Velsao, Cansaulim, Sancoale and Zuarinagar, at Goa, under this scheme. Each scholarship is of Rs.2,500/- per annum.
- k. Municipal Children's Park, Vasco : The Company undertook renovation work of Municipal Children's Park in Vasco town recently. To facilitate water supply to the garden, overhead tank of 2000 litre capacity is also provided. A Balwadi school inside the Park is also given a face lift.

G. Dissemination of Information on CSR :

Company is flashing information on CSR and allied activities on its website (<http://zuari.in>) regularly.

18. Directors' Responsibility Statement:

Your Directors hereby report:

- i. that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relative 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, 2010 and of the profit and loss account for the period ended 31st March, 2010;
- 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.

19. Acknowledgements :

Your Directors wish to place on record their appreciation of the dedication, commitment and contribution of every employee of the Company.

For and on behalf of the Board

New Delhi
8th May, 2010

S. K. PODDAR
Chairman

Annexure 'A' to the Directors' Report
FORM A (See Rule 2)

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	Current Year	Previous Year
A. POWER & FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Unit (KWH)	1,53,66,570	99,76,110
Total Amount (Rs. in lacs)	688.45	472.55
Rate/Unit (Rs.)	4.48	4.74
(b) Own generation (KWH)		
(i) Through Diesel Generator		
Unit (KWH)	2,26,52,820	2,17,22,500
Units per kg. of Diesel/LSHS/Fuel Oil	4.08	4.03
Cost/Unit (Rs.)	5.36	6.28
(ii) Through Steam Turbine/Generator		
Unit (KWH)	4,86,59,382	5,23,40,318
Units per kg. of Fuel Oil / LSHS	4.618	4.518
Cost/Unit (Rs.)	4.73	5.60
2. (a) Furnace Oil		
Quantity (MT)	75,664	81,269
Total cost (Rs. in lacs)	16,538.13	20,570.30
Average rate (Rs./MT.)	21,857.45	25,311.45
3. Other/internal generation (please give details)		
Diesel :-		
Quantity (KL.)	}	
Total cost (Rs. in lacs)		
Average rate (Rs./KL.)		
	N. A.	N. A.
B. CONSUMPTION PER UNIT OF PRODUCTION		
1. Electricity		
Product (with details) Unit		
(i) Purchased Power (KWH)		
Urea	7.94	6.46
19:19:19	—	4.71
18:46:0	14.19	22.40
10:26:26	21.14	6.46
12:32:16	13.96	3.25
20:20:0	12.77	50.02
(ii) Generated Power (KWH)		
Urea 120.46	121.99	
19:19:19	—	31.11
18:46:0	37.70	48.51
10:26:26	21.06	33.60
12:32:16	32.82	54.14
20:20:0	54.68	16.09
2. Furnace Oil (MT)		
Urea	0.17	0.18
19:19:19	—	0.01
18:46:0	0.01	0.02
10:26:26	0.01	0.01
12:32:16	0.01	0.02
20:20:0	0.02	0.01
3. Others	—	—

Annexure 'B' to the Directors' Report

Information Pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Sr. No.	Name	Designation/ Nature of Duties	Qualifications	Age (Years)	Date of Commencement of Employment	Experience (No. of Years)	Remuneration received	Name of last Employer	Designation	Period
(A) Employed throughout the year										
1	H. S. Bawa	Managing Director	M.Sc. (Chem Engg.) (USA)	79	16/04/1979	54	19494543.00	Hindustan Petroleum Corp.	General Manager (Ref. Div.)	3 Years
2	S. Krishnan	Executive President	B.E (Hons.), MSc.	45	15/11/2006	24	6334772.00	Zuari Cement Ltd.	Director (Finance)	3 Years
3	L.M. Chandrasekaran	Vice President - Operations	B.Tech.(Chemical), D.A.M., M.I.Ch.E.	61	26/07/1971	38	3755626.00	-	-	-
4	Bhayaik Dalta	Vice President - Finance	B.Com, Dip in Systems Analysis & COBOL Prg.F.C.A.	57	15/11/2007	37	3109923.00	Chambal Fertilisers & Chem. Ltd.	General Manager F&A	4 Years & 9 months
5	Naveen Kapoor	Vice President - Commercial	B.Sc., M.B.A	56	01/09/2004	33	4319597.00	Chambal Fertilisers & Chem. Ltd.	General Manager Sales	7 Years
6	V.L. Nageshwara Rao	President Seeds	B.Sc (Agri.), PGDBA	51	16/12/2008	30	2547600.00	Kaveri Seed Co. Ltd	Chief Operating Officer	10 months
7	V. K. Sinha	Vice President-Special Projects	B.E.(Chemical)	46	01/01/2009	23	3397538.00	Minda Management Services Ltd.	President-Corporate Strat. & Planning	1 Year 3 months
(B) Employed for part of the year										
1	C. V. Venkataramalah	Chief Operating Officer - Zuari Seeds Ltd.	B.Sc. (Agri.)	67	03/02/1997	39	3637348.00	FACT	Regional Agronomist	3 Years 6 months
2	A. A. Cordeiro	Dy. General Manager - Personnel, IR & Administration	M.A.M.A.(TISS)	62	12/02/1979	33	1677291.00	Salgaoncar's - Mining	Labour Officer	1 Year
3	J. R. Singh	Chief General Manager - Operations	B.TECH (CHEM.)	64	12/11/1999	25	2612540.00	Oswal Chemicals & Fertilisers Ltd.	Sr. GM - Projects	2 Years 11 months
4	M. P. Sridhar	Vice President - Operations	B.SC.(AGRI.)	60	07/02/1972	38	2726650.00	-	-	-
5	Y. N. Gokhale	Dy. General Manager - PH & RWH	B.A.	60	01/05/1972	38	2530187.00	-	-	-
6	V. A. Chodankar	Manager - Shift (Ammonia)	B.SC.	60	09/10/1971	38	1398556.00	-	-	-
7	L. Souza	Yardgang Leader-cum-Rigger - II	II STD	59	07/12/1971	37	825574.80	-	-	-
8	C. R. Kalgulkar	Sr. Manager - Laboratory & Environment	B.SC.	59	15/03/1972	37	1581513.00	-	-	-
9	J. A. Gama	Sr. Stores Assistant	INTER ARTS	59	28/04/1975	35	935996.00	Universal Traders Silica Sand Exporters	Typist / Clerk	6 Months
10	P. G. Pednekar	Manager - Shift (Ammonia)	B.SC	59	22/08/1975	34	1398074.00	-	-	-
11	A. M. Naik	Manager - Laboratory & Environment	B.SC	59	07/06/1976	33	1142942.00	-	-	-
12	B. V. Akde	Manager - Commercial	B.COM., LL.B., D.M.M.	59	06/06/1977	41	2012693.00	Halward Engineers	Accounts Assistant	2 years, 4 Months
13	P. V. Sakhardande	Sr. Estate Maintenance Assistant	S.S.C	59	18/08/1977	34	859583.60	Hotel - Zuari	Receptionist / Operator	2 Years, 4 Months
14	F. A. Xavier	Master Technician	S.S.C., (FITTER)	59	26/09/1977	37	1054394.00	Goa Shipyard	-	5 Years, 1 Month
15	S. B. Patekar	Chief Manager - Marketing	B.SC.(AGRI.)	53	21/03/1980	31	1755457.00	A.D.C. in Govt. Dairy quality control	Asst. Dairy Chemist	5 Months
16	U. D. Deshpande	Senior Manager - Marketing	M.SC.(AGRI.)	47	03/04/1988	22	1250573.00	-	-	-
17	R. B. Rahate	Manager - Marketing	M.SC. (AGRI)	45	20/11/1989	24	580690.00	ZACL, Betul	Field Assistant	7 Months
18	T. M. Gone	Manager Security	M.COM.	58	15/05/1992	33	2133138.00	Jayant Vitamins Ltd.	Security Manager	1 Year, 2 months
19	P. J. Lahane	Manager - Marketing	M.Sc. (Horticulture), MBA	37	16/04/1997	14	332488.00	Dynamic Computers Pvt. Ltd.	Marketing Manager	10 Months

ZUARI INDUSTRIES LIMITED



Annexure 'C' to the Directors' Report

Report on Corporate Governance

1. Company's Philosophy on Code of Corporate Governance

Corporate Philosophy of the Company is to strengthen India's industrial and agricultural base, increasing shareholder value, providing quality fertilizers and other agri inputs, healthy neighbourhood, preserving and protecting the environment.

The Company's philosophy on Corporate Governance envisages the attainment of the highest level of transparency and accountability. It is aimed at safeguarding and adding value to the interests of various stakeholders. The Company is committed to the best Corporate Governance and has fully complied the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and continues with its initiatives towards best Corporate Governance practices.

A declaration of Managing Director as to the compliance with the code of conduct by all the Board members and senior management personnel is provided as Annexure 'E' to the Directors' Report.

2. Board of Directors:

The Board of Directors of the Company comprises of nine members which includes Managing Director and eight non-executive Directors. More than half of the Board comprises of Independent Directors and non-executive Directors which is in compliance with the requirements of Clause 49 (1)(A). The other related information concerning the Board is given hereunder.

During the year under review, six Board Meetings on 15th May, 2009, 21st July, 2009, 14th September, 2009, 21st October, 2009, 23rd January, 2010 and 22nd February, 2010 were held.

Attendance of each Director at the Board of Directors meetings and the last AGM and number of Companies and Committees where he is a Director / Member:

Director	Category of Directorship#	No of Directorships**	No. of Board Meetings attended	No. of Shares held	Attendance at last AGM	No of Board Committees of all Co's*	
						Chairman	Member
S.K.Poddar	Promoter/Chairman	10	5	79406	No	N.A.	N.A.
H.S. Bawa	MD	12	5	NIL	No	N.A.	4
Shyam Bhartia	NED	14	3	NIL	No	2	N.A.
Arun Duggal	NED / I	11	5	NIL	Yes	1	3
D.B. Engineer	NED / I	9	5	NIL	Yes	3	5
J.N. Godbole	NED / I	11	6	NIL	Yes	1	6
Jyotsna Poddar\$	NED	10	2	71621	No	N.A.	N.A.
S.P. Tyagi £	NED/I	1	3	NIL	Yes	N.A.	N.A.
Marco Wadia	NED / I	10	5	2782	No	3	4

MD-Managing Director, I-Independent, NED-Non-Executive Director

* Excludes Committees other than Audit Committee and Shareholders / Investor's Grievance Committee.

** The number of directorships excludes Companies other than Public Limited Companies.

\$ Appointed as Director w.e.f. 15th May, 2009

£ Appointed as Director w.e.f. 21st July, 2009

3. Retirement of Directors by rotation and re-appointment:

Mr. Arun Duggal, Mr. J.N. Godbole and Mr. D.B. Engineer, Directors, are liable for retirement and are eligible for re-appointment during the forthcoming Annual General Meeting.

As required under Clause 49 of the listing agreement, brief resumé and information regarding other directorships are given herebelow :-