

August 14, 2019

The Secretary,
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
BSE scrip Code: 500780

National Stock Exchange of India Ltd,
Exchange Plaza, 5th floor,
Plot No. cm, 'G' Block, Bandra-Kurla Complex, Bandra (E).
Mumbai - 400 051
NSE Symbol: ZUARIGLOB

Dear Sirs,

Sub: Outcome of the Board Meeting under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the above subject, we hereby inform you that:

- a) The meeting of the Board of Directors was held on Wednesday, the 14th August, 2019 at 11 :45 A.M. and concluded at 3:10 P.M.
- b) The Board has considered and approved Unaudited Financial Results for the quarter ended 30th June, 2019. A Copy of the approved results alongwith Limited Review Report is enclosed herewith.

Thanking You,

Yours Faithfully,
For Zuari Global Limited



Sachin Patil
Asst. Company Secretary

Encl: As above

ZUARI GLOBAL LIMITED

(Formerly known as Zuari Industries Limited)

CIN No.: L65921GA1967PLC000157

Registered Office: Jaikisaan Bhawan, Zuarinagar, Goa - 403726, India

Tel: +0832 259 2180, 259 2181 Fax: +0832 255 5279

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Zuari Global Limited
 Regd. Office : Jal Kisaan Bhawan, Zuarinagar, Goa - 403726. CIN-L65921GA1967PLC000157
 Statement of unaudited standalone and consolidated financial results for the quarter ended 30 June 2019

(INR in lakhs)

S.No.	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		30 June 2019 (Unaudited)	31 March 2019 (Refer note 4)	30 June 2018 (Unaudited)	31 March 2019 (Audited)	30 June 2019 (Unaudited)	31 March 2019 (Refer note 5)	30 June 2018 (Refer note 5)	31 March 2019 (Audited)
1	Income :								
	(a) Revenue from operations	649.70	66.77	60.06	247.69	15,194.13	25,600.13	17,125.45	77,418.90
	(b) Other income	678.22	674.49	350.49	4,812.01	2,026.51	3,217.88	799.55	9,963.03
	Total Income	1,327.92	741.26	410.55	5,059.70	17,220.64	28,818.01	17,925.00	87,401.93
2	Expenses:								
	(a) Cost of materials consumed	-	-	-	-	12,528.67	26,586.95	8,914.43	43,279.27
	(b) Purchase of stock in trade	-	-	-	-	81.33	391.54	231.46	1,492.76
	(c) Project expenses	342.87	390.56	192.59	1,170.53	5,241.79	10,234.74	6,190.45	36,857.81
	(d) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(175.02)	(390.56)	(192.59)	(1,170.53)	(7,248.75)	(19,184.80)	(4,111.84)	(21,658.76)
	(e) Employee benefits expense	138.28	122.50	135.99	523.51	2,099.06	2,222.67	1,812.22	7,868.83
	(f) Finance costs	337.84	346.69	48.33	805.85	3,181.95	3,467.68	2,449.48	11,318.49
	(g) Depreciation and amortisation expense	4.05	3.99	3.96	15.92	578.90	593.40	433.96	2,092.28
	(h) Other expenses	90.75	180.06	56.25	446.45	1,900.57	4,092.06	2,099.13	11,418.46
	Total expenses	738.77	653.24	244.53	1,791.53	18,363.52	28,404.24	18,019.29	92,669.14
3	Profit/(loss) before share of profit/(loss) of associates and joint ventures and tax (1 - 2)	589.15	88.02	166.02	3,268.17	(1,142.88)	413.77	(94.29)	(5,287.21)
	Share of profit/(loss) of an associates and joint ventures					(4,200.49)	(4,661.51)	(1,557.92)	(7,462.03)
4	Profit/(loss) before tax	589.15	88.02	166.02	3,268.17	(5,343.37)	(4,247.74)	(1,652.21)	(12,729.24)
5	Tax expense								
	- Current tax expense/(reversals) (including earlier years)	148.12	18.84	30.11	(837.95)	165.51	5.71	37.37	(828.58)
	- Deferred tax expense/(credit)	22.63	27.83	18.11	78.42	(58.37)	1,041.63	(498.02)	(913.29)
	Total tax expense/(credit)	170.75	46.67	48.22	(759.53)	107.14	1,047.34	(460.65)	(1,741.87)
6	Profit/(loss) for the period/year (4 -5)	418.40	41.35	117.80	4,027.70	(5,450.51)	(5,295.08)	(1,191.56)	(10,987.37)
7	Other comprehensive income								
	(A) (i) Items that will not be reclassified to profit or loss	(320.01)	7,233.79	(17,579.87)	(25,873.87)	1,870.73	14,631.71	(11,838.85)	(8,875.65)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.61)	0.37	0.55	(2.41)	(5.66)	31.63	231.06	522.71
	(B) (i) Items that will be reclassified to profit or loss	-	-	-	-	41.67	(86.86)	212.26	179.07
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	8.37	(39.82)	(47.81)
	Total other comprehensive income/(loss)	(320.62)	7,234.16	(17,579.32)	(25,876.28)	1,906.74	14,584.85	(11,435.15)	(8,221.68)
8	Total comprehensive income/(loss) for the period/year (6+7)	97.78	7,275.51	(17,461.52)	(21,848.58)	(3,543.77)	9,289.77	(12,626.71)	(19,209.05)
	Net loss attributed to :								
	Owners of the holding Company					(5,459.33)	(5,244.12)	(1,101.29)	(9,063.97)
	Non controlling interests					8.82	(50.96)	(90.28)	(1,923.40)
	Other comprehensive Income/(loss) attributed to :								
	Owners of the Holding Company					1,904.55	14,540.17	(11,434.26)	(8,216.47)
	Non controlling interests					2.19	44.88	(0.89)	(5.21)
9	Paid - up equity share capital (face value of INR 10/- each)	2,944.11	2,944.11	2,944.11	2,944.11	2,944.11	2,944.11	2,944.11	2,944.11
10	Other equity				1,81,093.57				2,19,019.00
11	Earnings/(loss) per share (of INR 10/- each) (not annualised)								
	(a) Basic (INR)	1.42	0.14	0.40	13.68	(18.54)	(17.81)	(3.74)	(30.79)
	(b) Diluted (INR)	1.42	0.14	0.40	13.68	(18.54)	(17.81)	(3.74)	(30.79)



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Zuari Global Limited

Regd. Office : Jai Kisaan Bhawan, Zuarinagar, Goa - 403726. CIN-L65921GA1967PLC000157

Statement of unaudited standalone and consolidated financial results for the quarter ended 30 June 2019

Segment information in respect of unaudited consolidated financial results

(INR in lakhs)

S. No.	Particulars	Consolidated			
		Quarter ended		Year ended	
		30 June 2019 (Unaudited)	31 March 2019 (Refer note 5)	30 June 2018 (Refer note 5)	31 March 2019 (Audited)
1	Segment revenue				
	a) Engineering services	1,890.97	10,141.33	2,078.70	25,168.14
	b) Furniture	115.74	430.14	299.24	1,750.04
	c) Real estate	1,046.33	509.32	468.88	1,893.48
	d) Investment services	414.79	338.80	305.00	1,133.58
	e) Sugar	10,615.96	13,719.92	12,049.72	44,043.01
	f) Power	2,957.89	4,300.61	3,377.18	9,307.30
	g) Management services	435.91	626.08	223.12	1,838.00
	Total	17,477.59	30,066.20	18,801.84	85,133.55
	Less : Inter segment revenue	2,283.46	4,466.07	1,676.39	7,714.65
	Total segment revenue	15,194.13	25,600.13	17,125.45	77,418.90
2	Segment results				
	a) Engineering services	(578.61)	127.49	(990.34)	(1,134.20)
	b) Furniture	(40.43)	(330.57)	(116.25)	(1,003.15)
	c) Real estate	205.56	4.64	(188.44)	(790.92)
	d) Investment services	171.36	123.37	96.73	247.27
	e) Sugar	(691.94)	(1,804.71)	1,485.89	(3,702.24)
	f) Power	1,296.59	1,925.27	1,143.84	2,911.88
	g) Management services	(52.41)	245.15	(13.88)	208.01
	Sub total	310.12	290.64	1,417.55	(3,263.35)
	Less : Finance costs	2,757.51	3,060.07	1,927.88	9,520.77
	Add: Unallocable income net off unallocable expenses	1,304.51	3,183.20	416.04	7,516.91
	(Loss)/profit before share of profit/(loss) from associates and joint ventures	(1,142.88)	413.77	(94.29)	(5,267.21)
	Share of profit/(loss) of associates and joint ventures	(4,200.49)	(4,661.51)	(1,557.92)	(7,462.03)
	Loss before tax	(5,343.37)	(4,247.74)	(1,652.21)	(12,729.24)
	Less: Tax expense/(credit)	107.14	1,047.34	(460.65)	(1,741.87)
	Net loss for the year	(5,450.51)	(5,295.08)	(1,191.56)	(10,987.37)
3	Segment assets				
	a) Engineering services	13,438.34	12,760.51	11,952.90	12,760.51
	b) Furniture	4,767.03	4,953.60	7,189.19	4,953.60
	c) Real estate	81,825.33	74,360.77	66,211.56	74,360.77
	d) Investment services	3,959.62	4,550.12	2,705.60	4,550.12
	e) Sugar	83,420.38	78,692.23	70,666.96	78,692.23
	f) Power	19,068.51	20,979.34	22,497.84	20,979.34
	g) Ethanol Plant	16,670.87	7,916.86	915.46	7,916.86
	h) Management services	451.60	518.29	195.27	518.29
	i) Unallocated	2,35,435.13	2,41,730.01	2,40,613.93	2,41,730.01
	Total segment assets	4,59,036.81	4,46,461.73	4,22,948.71	4,46,461.73
4	Segment liabilities				
	a) Engineering services	9,890.88	11,909.94	9,799.27	11,909.94
	b) Furniture	2,749.16	3,047.69	2,993.93	3,047.69
	c) Real estate	21,252.57	18,977.64	17,679.46	18,977.64
	d) Investment services	956.78	1,226.23	503.77	1,226.23
	e) Sugar	46,890.20	46,602.24	50,708.52	46,602.24
	f) Power	-	-	-	-
	g) Ethanol Plant	-	-	-	-
	h) Management services	359.29	318.88	117.61	318.88
	i) Unallocated	1,58,824.08	1,42,720.73	1,12,608.05	1,42,720.73
	Total segment liabilities	2,40,922.96	2,24,803.35	1,94,410.61	2,24,803.35


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Notes to the statement of unaudited standalone and consolidated financial results for the quarter ended 30 June 2019

- 1 The above unaudited standalone and consolidated financial results of Zuari Global Limited ("the Company" or "the Holding Company") and the Group comprising its Subsidiaries, Associates and Joint Ventures, for the quarter ended 30 June 2019 have been reviewed by the Audit Committee and approved by the Board of Directors of the Holding Company in their respective meetings held on 14 August 2019. The Statutory Auditors have conducted "Limited Review" of these results in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and have expressed an unmodified opinion on the unaudited standalone financial results and a modified opinion on the unaudited consolidated financial results.
- 2 The above unaudited standalone and consolidated financial results have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013, as amended time to time.
- 3 The Company and the Group have adopted Ind AS 116 "Leases" effective 1 April 2019 and applied the standard to its Leases using the modified retrospective approach. Accordingly, the Company has not restated comparative information. As on 1 April 2019, the Company and the Group have recognized "right of use asset" at an amount equivalent to the lease liability and consequently there has been no adjustment to the opening balance of retained earnings as on 1 April 2019. The adoption of this standard did not have any material impact on the profit/(loss) of the current quarter.
- 4 The unaudited standalone financial results for the quarter ended 31 March 2019 represent the balancing amounts between the audited amounts for the full financial year and the published year to date amounts upto the third quarter of the respective financial year which were subjected to limited review.
- 5 The unaudited consolidated financial results for the quarter ended 31 March 2019 and 30 June 2018 have been prepared by the management. The results for the aforementioned quarters were not subjected to limited review by the statutory auditors of the Holding Company.
- 6 Two subsidiaries of the Group are carrying an amount of INR 8,678.74 lakhs as deferred tax assets (net) as at 30 June 2019. The managements of the group companies are confident of generating sufficient taxable profits in the near future considering the engineering, procurement and construction contracts (EPC) under pipelines and power purchase arrangements with the Uttar Pradesh Power Corporation Limited, positive expected cash flows, future expansion plans like setting up of Distillery having capacity of 100,000 litres per day, 16 MW Co-generation Power Plant and industry focused trade policies of the government, which will enable the Group to utilise the deferred tax assets.
- 7 One of the subsidiaries of the Group, Gobind Sugar Mills Limited, is into a seasonal industry where sugar cane crushing normally takes place during the period between November and May, while sales are distributed throughout the year. Bagasse based co-generation power plant of the subsidiary is affected by the availability of bagasse, which is a by-product of the sugar cane.
- 8 During the quarter ended 30 June 2019, the Hon'ble Regional Director ("RD"), Mumbai vide its order dated 9 May 2019 approved the arrangement as embodied in the scheme of arrangement ("the Scheme") of the merger of Zuari Commodity Trading Limited (Transferor Company) and vesting thereof in Zuari Finserv Limited (Transferee Company) and the same has been filed with the Registrar of Companies on 8 June 2019 ("Effective Date"). On complying with the requisite formalities by the Zuari Finserv Limited, the Scheme became effective from 1 April 2018 ("Appointed Date")."

9 Notes reproduced from the unaudited consolidated financial results of Zuari Agro Chemicals Limited (an Associate of the Holding Company) for the quarter ended 30 June 2019 :

- a) The unaudited consolidated Ind AS financial results include the Group's share of total comprehensive loss (comprising of loss and other comprehensive loss) of Rs. 0.78 crores for the quarter ended June 30, 2019 in respect of one joint venture including its associate, both located outside India, whose financial statements and other financial information have not been subject to review and has been compiled by the management in accordance with accounting principles generally accepted in the respective country. The Company's management has converted the financial statements of such joint venture located outside India from accounting principles generally accepted in the respective country to accounting principles generally accepted in India.
- b) In respect of the Company's investment of Rs. 119.43 crores in the rock phosphate mining project (which is under development) through MCA Phosphate Pte Limited (MCAP), a joint venture company, there has been a deadlock between the Company and its JV partner Mitsubishi in its rock phosphate mining project through MCAP about certain impairments recorded in the financial statements of MCAP for financial years 2015-16 and 2016-17. On February 15, 2018, MCAP had issued a share offer notice by virtue of which the Company was offered to subscribe to certain ordinary shares. In light of the objections already raised by the Company in regard to the impairment and adoption of accounts and the nominal value at which the shares were issued, it did not subscribe to the rights issue. On May 30, 2018, the Company obtained a clarification from the JV partner that its shareholding in MCAP has been diluted from 30% to 0.17% with effect from April 01, 2018.

The Company initiated legal proceedings before the High Court of Singapore on June 4, 2018 seeking certain relief. An order has been passed by the High Court of Singapore on August 13, 2018 mandating that inter alia no steps should be taken: i) in respect of any matter specified as a super-majority decision in the shareholders agreement dated December 20, 2011, without the prior written consent of the Company, to, among other things, preserve the Company's original investment; and ii) no steps should be taken to change the shareholding of MCAP or to amend the Articles of Association of MCAP or to act in any manner inconsistent with the shareholders agreement mentioned above. The Company has initiated arbitration proceedings against the JV partner in accordance with the arbitration rules of the International Chamber of Commerce (ICC). The ICC, vide its order dated December 4, 2018 on an application for interim relief amended the order passed by the High Court of Singapore by allowing the respondents (i.e. Mitsubishi Corporation and MCA Phosphate Pte Limited) to exercise contractual options to purchase or sell shares of MCA Phosphates Pte. Limited in accordance with the terms of any applicable agreements. Mitsubishi Corporation has agreed not to exercise such contractual options till the final award is issued in the aforesaid arbitration. The Company has filed its claim with the arbitration tribunal on April 23, 2019. Basis the Company's discussions with its counsel for the arbitration, the Company is confident that the reliefs sought by the Company in its claim will be awarded in its favour by the arbitration tribunal constituted by ICC.



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Notes to the statement of unaudited standalone and consolidated financial results for the quarter ended 30 June 2019

The Company had not considered any impairment loss till the time of finalization of the financial statements for the year ended March 31, 2018. During the quarter ended June 30, 2018, the Company had assessed the fair value of the said investment based on the fair valuation done by an independent valuer and had concluded that the impairment loss was required to be recognised. Accordingly, the Company had recognised an impairment loss of Rs. 11.62 crores in the standalone and consolidated financial results and the figures for the year ended March 31, 2018 were appropriately restated and disclosed under exceptional items as per Ind AS 8 "Accounting Policies, Change in Accounting Estimates and Errors". For the year ended March 31, 2019, as per the requirement of arbitration proceedings, the valuation of MCAP investment in Fosfatos del Pacifico S.A. (FDP), the mining project company, was done by an independent valuer for the purpose of submission of the valuation report of the said investment to ICC, which indicates a value higher than the carrying value of investment in the books of the Company. Based on the report of independent valuer, impairment loss of Rs. 11.62 crores recognised for the year March 31, 2018 has been reversed in March 31, 2019 and disclosed as an exceptional income. Accordingly exceptional items for the year ended March 31, 2019 represents write back of impairment of the Company's investment in the rock phosphate mining project (which is under development) through MCA Phosphates Pte Ltd (MCAP).

- c) The Company is carrying a receivable of Rs. 19.49 crore for the period February 2013 and March 2013 on account of accrual of subsidy income at higher rate in comparison to rate at which subsidy is granted. However, as per the office memorandum dated April 16, 2018 issued by the Department of Fertilizer, the Government has ex-post facto approved the subsidy paid on specific quantity of P&K fertilizer received in the district during February 2013 and March 2013 months in different year since 2012-13 at the rates fixed for the next financial year which were lower than the rate approved by cabinet /CCEA for that year. The Company has represented to the Department of Fertilizer that the material moved in February 2013 and March 2013 was part of the approved movement plan of January 2013 and hence Nutrient Based Subsidy rates of 2013 should be applicable. The Company has also filed writ petition at Hon'ble High Court of Delhi against Department of Fertilizer to recover this amount. The Writ Petition has been finally disposed of with a direction to the Department to decide the Petitioner's representation within a period of 8 weeks after granting the Petitioner an opportunity to be heard. The Company is in the process of submitting the representation in this regard to Department of Fertilizers and is hopeful to realize the aforesaid amount, hence, no provision has been made in the accounts.
- d) Vide notification number 26/ 2018 dated June 13, 2018, the Government has amended the definition of "Net Input Tax Credit (ITC)" for the purpose of GST refund on account of inverted duty structure with effect from July 01, 2017 to include ITC availed only on inputs which excludes input services. The Company and the Group including the Company has claimed GST refund with respect to input services effective July 01, 2017 till April 17, 2018 which aggregates to Rs. 18.79 crores and Rs. 30.85 crores (net of amount eligible for recovery as subsidy), respectively. Further, during the quarter ended June 30, 2019, the Company and the Group including the Company has recognised GST input tax credit of Rs. 5.62 crores and Rs. 9.68 crores, respectively, relating to the quarter ended June 30, 2019 on input services. Management, based on an opinion obtained by the Group and also relying on similar fact pattern in an order dated September 18, 2018 of the High Court of Gujarat in respect of an application of another company on similar matter wherein ad-interim relief was granted, is of the view that to the extent the aforesaid Notification denies grant of refund of unutilized tax credit in respect of tax paid on input services is ultra vires to the Central Goods and Services Tax Act, 2017. The Company has also filed a writ petition in the Hon'ble High Court of Bombay at Goa in this regard. Accordingly, the management is confident of refund in respect of tax paid on input services and that no liability including interest, if any, would arise from the same.
- e) The Direct Benefit Transfer (DBT) for subsidy income was rolled out by Department of Fertilizers (DoF) during the year 2016-17 and by February 1, 2018 was on a pan India basis. Due to this new subsidy transfer framework there has been a transitional delay in realisation of subsidy from DoF i.e. from the erstwhile mechanism of point of dispatch (sales to dealers/distributors by the Company) to point of retail sale (sales to beneficiary by the dealers/distributors), and which also impacted the working capital cycle of the Company and the Company obtains cash credit and short-term loans to meet its short term working capital requirements. Significant delays in receipt of subsidy from the Government of India and the consequent deterioration of our liquidity position, also led to elongation of the working capital cycle of our Company. Further, due to a drought like situation in our markets during the Rabi Season especially in certain parts of Maharashtra and Karnataka, our Company was unable to pass on the increase in the prices of the raw materials to the farmers which contributed to the cash flow mismatch and reduced financial flexibility of our Company. The Company also incurred cash losses during the quarter due to delayed monsoons in its operating territories and stoppage of one of our NPK plant.

The delays in receipt of subsidy also impacted the Company's ratings and the credit ratings assigned to our long term and short term borrowings were downgraded from [ICRA] BB (Negative) to [ICRA] D and from [ICRA] A4 to [ICRA] D, due to our Company's inability to meet its obligation in relation to the payment of certain letters of credit which led to devolvement and over-utilisation of the cash credit facilities availed by our Company for more than 30 days, delay in payment of certain term loan instalments, over-utilisation of certain fund based facilities availed by our Company. Also, two of lenders have recalled the borrowing facilities availed by the Company on account of downgrade of ratings.

The management has assessed the financial position of the Company considering its business projections including transforming certain short-term loans to long-term debt to repay its committed liabilities in the near future. Considering the strength of the Company's business plans and future outlook as assessed by the management, the management is confident that it will be able to realize its assets and discharge its liabilities in the normal course of business.

10 Note reproduced from the unaudited consolidated financial results of Zuari Infraworld India Limited (a Subsidiary of the Holding Company) for the quarter ended 30 June 2019 :

Recoverable advances as at 30 June 2019 paid to a sub-contractor aggregating to Rs 2,246.49 lakhs and interest accrued on the same for Rs. 33.72 lakhs in respect of which the Management is in negotiation with that party for its recovery. The Management of the Company is confident that this advance will be fully recovered and hence no provision is considered necessary at this stage.

11 Previous periods' figures have been re-grouped / re-classified wherever necessary, to correspond with those of the current period's classification.

For and on behalf of the Board of Directors of
Zuari Global Limited


N Suresh Krishnan

Managing Director

Place: Gurugram
Date: 14 August 2019

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Independent Auditor's Review Report on Unaudited Standalone Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Zuari Global Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of Zuari Global Limited ('the Company') for the quarter ended 30 June 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Walker ChandioK & Co LLP

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular(s), and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker ChandioK & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No. 099514
UDIN: 19099514AAAACH2450



Place: Gurugram
Date: 14 August 2019

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Independent Auditor's Review Report on Unaudited Consolidated Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Zuari Global Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Zuari Global Limited ('the Company' or 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures (refer Annexure 1 for the list of subsidiaries, associates and joint ventures included in the Statement) for the quarter ended 30 June 2019, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the consolidated figures for the preceding quarter ended 31 March 2019 and corresponding quarter ended 30 June 2018, as reported in the Statement have been approved by the Holding Company's Board of Directors, but have not been subjected to audit or review.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable, except with respect to a matter which has been reported in the review report on the unaudited consolidated financial results of Zuari Agro Chemicals Limited ('ZACL'), an Associate of the Holding Company, issued by an independent firm of Chartered Accountants, vide its review report dated 12 August 2019 with respect to one of the joint ventures of ZACL, where response was not received by the independent firm of Chartered Accountants from the component auditor of the said joint venture (also referred to in paragraph 4 below).

4. As described in Note 9(a) and 9(b) to the Statement, the following matters have been reported in the review report on the unaudited consolidated financial results of ZACL, referred to in paragraph 3 above, which is reproduced by us as under:

"Attention is drawn to Note XX of the unaudited Consolidated Ind AS financial results which includes the Group's share of net loss after tax of INR 0.35 crores and total comprehensive loss of INR 0.78 crores for the quarter ended June 30, 2019 and for the period from April 01, 2019 to June 30, 2019, as considered in the unaudited Consolidated Ind AS financial results, in respect of one joint venture located outside India, based on their interim financial results which have not been reviewed by any auditor. These unreviewed financial results and other unreviewed financial information have been approved and furnished to us by the management. The Parent Company's management has converted such unreviewed financial results of such joint venture located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. Accordingly, we are unable to comment on the financial impact, if any, on the unaudited Consolidated Ind AS financial results if the same had been reviewed.

Attention is drawn to Note XX of the unaudited Consolidated Ind AS financial results explaining the evaluation of recoverable amount as required under Ind AS 36 "Impairment of Assets" to assess impairment provision, if any, on the Parent Company's investment of INR 119.43 crores in the rock phosphates mining project through MCA Phosphates Pte Ltd, a joint venture company. The joint venture company has provided for diminution in the entire value of the said investment which is under arbitration. The Parent Company has, based on valuation carried by an external valuer, assessed that the indicative value is higher than its carrying amount as at March 31, 2019. However, complete details used in such valuation were not made available to us and we were unable to review the valuation report and pending such review and in absence of other sufficient appropriate audit evidence, we are unable to comment on the adjustments, if any, required to be made to the unaudited Consolidated Ind AS financial results, in this regard. This is a matter continuing from the previous quarter and year ended March 31, 2019."

In the absence of quantification of the impact of above matters by the auditors of ZACL, we are unable to comment on the impact of the same on share of profit/(loss) of this associate company recorded in the total comprehensive income and its consequential impact on the accompanying unaudited consolidated financial results. Our opinion on the consolidated financial results of the Group, its associates and joint ventures, for the year ended 31 March 2019 was also qualified in respect of the above matters.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 8 below, except for the possible effects of the matters described in previous sections, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.



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6. Note 9(e) to the Statement and the following paragraph on Material Uncertainty on Going Concern included in the review report on the unaudited consolidated financial results of ZACL, referred to in paragraph 3 above, which is reproduced by us as under:

"We draw attention to Note XX of the unaudited consolidated Ind AS financial results, which states that there are conditions indicating the existence of material uncertainty over timely discharge of its liabilities and its consequential impact on Parent Company's ability to continue as a going concern, and management's assessment that the Parent Company will be able to discharge its liabilities. These conditions are including but not limited to significant delays in receipt of subsidy from Government of India, cash loss incurred during the quarter of INR 110.16 crores on account of delayed monsoons in its operating territories and stoppage of one of its plant having impact on Parent company's liquidity situation including but not limited to downgrade of credit ratings of Parent Company's long term and short term borrowings, devolvement of certain letters of credit, over-utilisation of the cash credit facilities, delay in payment of certain term loan instalments, over-utilisation of certain fund based facilities and recall of borrowing facilities by two lenders."

7. We draw attention to:

A) Note 9(c) and 9(d) to the Statement and the following Emphasis of Matter paragraphs included in the review report on the unaudited consolidated financial results of ZACL, referred to in paragraph 3 above, which is reproduced by us as under:

i) "We draw attention to Note XX of the unaudited Consolidated Ind AS financial results, wherein the Parent Company is carrying a receivable of INR 19.49 crores in relation to the subsidy income accrued during the year ended March 31, 2013. Based on the legal opinion obtained by the Parent Company, the amount is fully recoverable from the department of fertilizers. Pending settlement of the differential subsidy amount as more fully explained in note, the Parent Company has not made any provision in this regard in the unaudited Consolidated Ind AS financial results.

ii) We draw attention to Note XX of the unaudited Consolidated Ind AS financial results, regarding Goods and Services Tax ('GST') credit on input services recognized by the Group based on its assessment and on a legal opinion obtained by the Parent Company and a subsidiary and reliance placed on an order of High Court of Gujarat providing interim relief in a similar matter. The Parent Company has also filed a writ petition in the High Court of Bombay at Goa."

B) Note 10 to the Statement and the following Emphasis of Matter paragraph is included in the review report on the consolidated financial results of Zuari Infraworld India Limited ('ZIIL'), issued by an independent firm of Chartered Accountants, vide its review report dated 9 August 2019, which is reproduced by us as under:

"We draw attention to Note XX of the accompanying financial results regarding the advances paid to a sub-contractor aggregating to Rs 2,246.49 lakhs and interest accrued on the same for Rs. 33.72 lakhs which are due as at 30 June 2019 in respect of which the Management is in negotiation with that party for its recovery. The Management of the Company is confident that this advance will be fully recovered and hence no provision is considered necessary at this stage."

Our conclusion is not modified in respect of the above matters.

8. We did not review the interim financial results of four subsidiaries included in the Statement, whose financial information reflects total revenues of INR 1,099.43 lakhs, total net loss after tax of INR 286.97 lakhs and total comprehensive loss of INR 2,229.66 lakhs, for the quarter ended 30 June 2019, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of INR 3,949.05 lakhs and total comprehensive loss of INR 4,184.19 lakhs for the quarter ended 30 June 2019, as considered in the Statement, in respect of seven associates, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose review reports have been

Walker Chandiook & Co LLP

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furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ associates is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

9. The Statement includes the interim financial information of three subsidiaries and the unaudited standalone interim financial information of the entity included in the Group, includes the interim financial information of one branch, which have not been reviewed, whose interim financial results reflect total revenues of INR 741.88 lakhs, net loss after tax of INR 4.23 lakhs and total comprehensive loss of INR 4.23 lakhs for the quarter ended 30 June 2019, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of INR 252.09 lakhs, and total comprehensive loss of INR 573.51 lakhs for the quarter ended on 30 June 2019, in respect of 15 associates and three joint ventures, based on their interim financial information, which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), read with SEBI Circulars, in so far as it relates to the aforesaid subsidiaries, associates, joint ventures and branch, are based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, this interim financial informations are not material to the Group.

Our conclusion is not modified in respect of this matter.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514
UDIN: 19099514AAAACI2561



Place: Gurugram
Date: 14 August 2019

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Annexure 1

List of entities included in the Statement

Subsidiaries and step down subsidiaries of the Holding Company

1. Zuari Infracore India Limited
2. Zuari Infra Middle East Limited, a subsidiary of Zuari Infracore India Limited
3. Zuari Infracore SJM Properties LLC, a subsidiary of Zuari Infra Middle East Limited
4. Zuari Management Services Limited
5. Indian Furniture Products Limited
6. Simon India Limited
7. Zuari Investments Limited
8. Zuari Finserv Limited
9. Zuari Sugar & Power Limited
10. Gobind Sugar Mills Limited, a subsidiary of Zuari Investments Limited
11. Zuari Insurance Brokers Limited, a subsidiary of Zuari Finserv Limited
12. Zuari Commodity Trading Limited, a subsidiary of Zuari Finserv Limited (merged with Zuari Finserv Limited w.e.f. 8 June 2019)

Joint ventures of the Holding Company

13. Zuari Indian Olitanking Private Limited, a Joint venture of Zuari Global Limited
14. Forte Furniture Products India Private Limited, a Joint venture of Zuari Global Limited
15. Soundaryaa IFPL Interiors Limited, a Joint venture of Indian Furniture Products Limited

Associates of the Holding Company

16. New EROS Tradecom Limited, an associate of Zuari Investments Limited
17. Zuari Agro Chemicals Limited, an associate of Zuari Global Limited
18. Mangaiore Chemicals and Fertilisers Limited, a subsidiary of Zuari Agro Chemicals Limited
19. Adventz Trading DMCC, a subsidiary of Zuari Agro Chemicals Limited
20. Zuari Maroc Phosphates Private Limited, a joint venture of Zuari Agro Chemicals Limited
21. Paradeep Phosphates Limited, a subsidiary of Zuari Maroc Phosphates Private Limited
22. MCA Phosphates Pte. Limited, a joint venture of Zuari Agro Chemicals Limited
23. Fosfatos del Pacifico S.A, an associate of MCA Phosphates Pte. Limited
24. Zuari Yoma Agri Solutions Limited an associate of Paradeep Phosphates Limited
25. Brajbhumi Nirmaan Private Limited, an associate of Zuari Infracore India Limited
26. Pranati Niketan Private Limited, an associate of Zuari Infracore India Limited
27. Darshan Nirmaan Private Limited, an associate Zuari Infracore India Limited
28. Rosewood Agencies Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
29. Neobeam Agents Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
30. Mayapur Commercial Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
31. Nexus Vintrade Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
32. Bahubali Tradecom Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
33. Hopeful Sales Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
34. Divine Realdev Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
35. Kushal Infracore Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
36. Beatie Agencies Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
37. Suhana Properties Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
38. Saket Mansions Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited

Branches of the Holding Company

39. Simon India Limited (KSA Branch)

