adventz

June 19, 2020

BSE Limited Floor 25, P.J. Towers, Dalal Street, Mumbai - 400 001 BSE scrip Code: 534742	National Stock Exchange of India Ltd, Exchange Plaza, 5th floor, Bandra-Kurla Complex, Bandra (E). Mumbai - 400 051 NSE Symbol: ZUARI

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 the meeting of the Board of Directors of the Company was held today, i.e. 19th June, 2020 at 6.30 P.M., inter alia has considered and approved the following:

1. Audited Standalone and Consolidated Financial Results for the quarter and year ended 31st March, 2020.

   Audited Standalone and Consolidated Financial Results for the Financial Year ended 31st March, 2020 and copies of the Audit Reports as submitted by the Auditors of the Company on Standalone and Consolidated Financial Results is enclosed as **Annexure- A**.

2. In-Principle approval for sale of fertilizer plant at Goa to Paradeep Phosphates Limited, subject to;

   a. approval of shareholders of the Company
   b. other regulatory & statutory approvals
   c. financial due-diligence

3. Valuation & Investment in the share capital of Zuari Farmhub Limited (ZFHL), a wholly owned subsidiary of the Company, by Morocco based "OCP Group" (OCP) and execution of Agreement with OCP for its investment in ZFHL, subject to confirmatory due diligence by OCP.

4. Waiver of recovery of excess remuneration paid to Mr. Sunil Sethy, Managing Director for the financial year 2019-20, subject to approval of the banks / financial institutions & shareholders.

5. Amendment to the Memorandum of Association of the Company in line with the provisions of the Companies Act, 2013, subject to the approval of shareholders.

The meeting concluded at 11.40 P.M.

Thanking You,

Yours Faithfully,
For Zuari Agro Chemicals Limited

Vijayamahantesh Khannur
Company Secretary

ZUARI AGRO CHEMICALS LTD. * Zuarinagar *

Encl: As above

ZUARI AGRO CHEMICALS LIMITED

Regd. Office : Jai Kisaan Bhawan, Zuarinagar, Goa -403 726, CIN -L65910GA2009PLC006177

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(Rs. in Crore)

S. No	Particulars	STANDALONE					CONSOLIDATED				
		3 months ended 31/03/2020	3 months ended 31/12/2019	3 months ended 31/03/2019 (Restated Refer Note 10 below)	Year ended 31/03/2020	Year ended 31/03/2019 (Restated Refer Note 10 below)	3 months ended 31/03/2020	3 months ended 31/12/2019	3 months ended 31/03/2019 (Restated Refer Note 10 below)	Year ended 31/03/2020	Year ended 31/03/2019 (Restated Refer Note 10 below)
		Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited
	Continuing operations										
1	Revenue										
	(a) Revenue from operations	398.46	150.47	1,333.04	2,012.62	4,730.96	1,006.28	885.28	1,999.64	5,017.15	8,102.90
	(b) Other income	23.06	24.06	0.12	65.79	68.32	25.65	5.67	1.66	49.85	45.52
	Total income	421.52	174.53	1,333.16	2,078.41	4,799.28	1,031.93	890.95	2,001.30	5,067.00	8,148.42
2	Expenses										
	(a) Cost of raw material and components consumed	232.15	93.53	640.18	901.80	2,705.21	600.08	487.58	1,017.15	2,440.39	4,401.76
	(b) Purchases of traded goods	3.85	3.56	151.12	77.23	1,357.23	34.03	99.04	257.80	364.60	2,208.47
	(c) Changes in inventories of finished goods, traded goods and work-in-progress	26.15	91.12	305.81	740.31	(433.87)	38.92	88.53	311.27	982.16	(564.06)
	(d) Employee benefits expense	20.20	19.06	21.42	82.65	86.81	41.72	42.70	43.45	174.88	175.62
	(e) Depreciation and amortisation expense	13.11	12.56	10.31	50.38	42.79	30.59	26.88	23.03	110.62	87.46
	(f) Finance costs	96.34	89.85	116.17	424.61	377.09	112.36	113.27	139.22	534.62	487.90
	(g) Other expenses	255.90	97.00	238.14	656.65	925.58	409.03	262.08	362.98	1,271.22	1,566.49
	Total expense	647.70	406.68	1,483.15	2,933.63	5,060.84	1,266.73	1,120.08	2,154.90	5,878.49	8,363.64
3	(Loss) before exceptional items and tax from continuing operations (1-2)	(226.18)	(232.15)	(149.99)	(855.22)	(261.56)	(234.80)	(229.13)	(153.60)	(811.49)	(215.22)
4	Exceptional items (Refer Note 10 and 15)	698.97	-	(106.18)	698.97	(106.18)	-	-	(106.18)	-	(106.18)
5	Share of profit of joint venture	-	-	-	-	-	46.34	16.61	0.21	82.18	55.35
6	Profit / (Loss) before tax from continuing operations (3+4+5)	472.79	(232.15)	(256.17)	(156.25)	(367.74)	(188.46)	(212.52)	(259.57)	(729.31)	(266.05)
7	Tax expense/ (credit)										
	(a) Current tax	-	-	(14.93)	-	(14.93)	2.78	5.26	(17.17)	16.15	(0.96)
	(b) Deferred tax charge/ (credit)	138.95	(104.48)	11.50	30.23	(7.00)	113.36	(99.28)	12.77	20.46	7.85
	Income tax expense/ (credit)	138.95	(104.48)	(3.43)	30.23	(21.93)	116.14	(94.02)	(4.40)	36.61	6.89
8	Profit / (Loss) for the period/year from continuing operations (6-7)	333.84	(127.67)	(252.74)	(186.48)	(345.81)	(304.60)	(118.50)	(255.17)	(765.92)	(272.94)
9	Profit / (Loss) for the period / year from discontinued operations (Refer Note 15 below)	(17.50)	(3.00)	9.46	(3.36)	27.13	-	-	-	-	-
10	Tax (Income)/ expense of discontinued operations (Refer Note 15 below)	4.32	0.74	3.58	(0.83)	10.27	-	-	-	-	-
11	Profit/ (loss) for the period / year from discontinued operations (Refer Note 15 below) (9-10)	(13.18)	(2.26)	5.88	(2.53)	16.86	-	-	-	-	-
12	Profit / (Loss) for the period (8 + 11) (a)	320.66	(129.93)	(246.86)	(189.01)	(328.95)	(304.60)	(118.50)	(255.17)	(765.92)	(272.94)
13	Other Comprehensive income / (expense) (net of tax)										
	A Items that will not be reclassified to profit or loss										
	Re-measurement gains / (losses) on defined benefit plans	(0.94)	0.25	(2.21)	(0.18)	(0.40)	(0.04)	(0.04)	(2.60)	0.06	(1.56)
	Income tax relating to items that will not be reclassified to profit or loss	0.23	(0.19)	0.77	0.04	0.14	(0.08)	(0.09)	0.91	(0.04)	0.55
	Net (loss)/gain on FVTOCI financial instruments	(2.19)	(1.29)	22.64	(17.51)	(28.78)	(2.19)	(1.29)	(6.14)	(17.51)	(28.78)
	Income tax relating to items that will not be reclassified to profit or loss	1.08	6.74	-	7.82	-	1.08	6.74	-	7.82	
	Share of OCI of joint ventures						0.03	(0.39)	(0.55)	(1.22)	(0.93)
	B Items that will be reclassified to profit or loss										
	Exchange differences on translation of foreign operations						(3.93)	0.90	(1.28)	(0.03)	7.32
	Total Other Comprehensive Income/(loss) (b)	(1.82)	5.51	21.20	(9.83)	(29.04)	(5.13)	5.83	(9.66)	(10.92)	(23.40)
14	Total Comprehensive Income/(loss) for the period/year (a+b)	318.84	(124.42)	(225.66)	(198.84)	(357.99)	(309.73)	(112.67)	(264.83)	(776.84)	(296.34)
15	Profit attributable to:										
	Owners of the equity						(315.58)	(126.82)	(252.37)	(801.96)	(288.38)
	Non-controlling interest						10.98	8.32	(2.80)	29.68	15.44
	Other comprehensive income attributable to:										
	Owners of the equity						(5.40)	5.92	(9.67)	(10.99)	(23.05)
	Non-controlling interest						0.27	(0.09)	0.01	0.07	(0.35)
	Total comprehensive income attributable to:										
	Owners of the equity						(320.98)	(120.90)	(262.04)	(812.95)	(311.43)
	Non-controlling interest						11.25	8.23	(2.79)	29.75	15.09
16	Paid-up Equity Share Capital (face value Rs. 10/- per share)	42.06	42.06	42.06	42.06	42.06	42.06	42.06	42.06	42.06	42.06
17	Other Equity as per balance sheet of previous accounting year					273.81					1,110.09
18	Earnings/ (Loss) per share (of Rs. 10/- each) (not annualised):										
	(a) Basic and diluted EPS from continuing operations (Rs.)	79.38	(30.36)	(60.09)	(44.34)	(82.22)	(75.03)	(30.15)	(60.01)	(190.68)	(68.56)
	(b) Basic and diluted EPS from discontinued operations (Rs.)	(3.14)	(0.71)	2.25	(0.80)	6.45	-	-	-	-	-
	(c) Basic and diluted EPS from continuing and discontinued operations (Rs.)	76.24	(31.07)	(57.84)	(45.14)	(75.77)	(75.03)	(30.15)	(60.01)	(190.68)	(68.56)

ZUARI AGRO CHEMICALS LTD. ★ Zuarinagar ★

ZUARI AGRO CHEMICALS LIMITED

Regd. Office : Jai Kisaan Bhawan, Zuarinagar, Goa -403 726, CIN -L65910GA2009PLC006177

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Crores)

	Standalone		Consolidated	
	As at March 31, 2020 (Audited)	As at March 31, 2019 (Restated - Refer Note 10 below) (Audited)	As at March 31, 2020 (Audited)	As at March 31, 2019 (Restated - Refer Note 10 below) (Audited)
Assets				
Non-current assets				
(a) Property, plant and equipment	487.63	520.27	1,739.85	1,707.31
(b) Capital work-in-progress	121.19	119.38	167.66	153.56
(c) Investment property	3.62	3.62	3.62	3.62
(d) Intangible assets	1.72	20.63	119.00	124.53
(e) Intangible assets under development	-	-	-	0.39
(f) Investments in joint ventures			837.37	781.13
(g) Financial assets				
(i) Investments	1,174.53	750.56	17.93	33.80
(ii) Loans	3.64	6.20	15.58	12.20
(iii) Others	0.03	16.30	0.57	16.46
(h) Deferred tax assets (net)	67.41	88.95	67.41	88.95
(i) Other non-current assets	6.40	64.95	90.61	82.22
(j) Income tax assets (net)	47.39	52.98	47.62	55.45
	1,913.56	**1,643.84**	**3,107.22**	**3,059.62**
Current assets				
(a) Inventories	253.41	1,228.35	548.65	1,765.28
(b) Financial assets				
(i) Investments	-	-	0.01	-
(ii) Trade receivables	821.05	2,408.66	2,219.32	3,906.16
(iii) Cash and cash equivalents	51.92	7.09	265.04	49.89
(iv) Bank balances other than (iii) above	40.85	26.54	58.55	34.60
(v) Loans	3.08	1.54	1.27	1.30
(vi) Others	411.77	118.08	86.79	121.20
(c) Other current assets	160.57	271.80	275.60	352.93
	1,742.65	**4,062.06**	**3,455.23**	**6,231.36**
Assets classified as held for sale	0.05	-	0.05	-
	1,742.70	**4,062.06**	**3,455.28**	**6,231.36**
Total assets	**3,656.26**	**5,705.90**	**6,562.50**	**9,290.98**
Equity and liabilities				
Equity				
(a) Equity share capital	42.06	42.06	42.06	42.06
(b) Other equity	74.98	273.81	299.13	1,110.09
Equity attributable to equity holders of the parent company			**341.19**	**1,152.15**
(c) Non-controlling interests			414.20	399.55
Total equity	**117.04**	**315.87**	**755.39**	**1,551.70**
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	288.55	597.73	565.63	868.40
(ii) Others	0.23	0.66	2.99	6.13
(b) Provisions	0.57	0.58	15.04	16.99
(c) Deferred tax liabilities (net)	-	-	8.69	17.55
(d) Other non-current liabilities	0.96	0.85	1.64	0.85
	290.31	**599.82**	**593.99**	**909.92**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	1,056.27	2,672.57	2,268.05	4,065.71
(ii) Trade payables				
a) total outstanding dues of micro enterprises and small enterprises	2.70	5.37	7.80	8.25
b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,395.07	1,491.55	1,958.64	1,948.37
(iii) Others	708.85	457.53	858.30	619.68
(b) Other current liabilities	64.21	139.70	82.75	153.39
(c) Provisions	21.81	23.49	37.58	33.96
	3,248.91	**4,790.21**	**5,213.12**	**6,829.36**
Total liabilities	**3,539.22**	**5,390.03**	**5,807.11**	**7,739.28**
Total equity and Liabilities	**3,656.26**	**5,705.90**	**6,562.50**	**9,290.98**

ZUARI AGRO CHEMICALS LTD. Zuarinagar

ZUARI AGRO CHEMICALS LIMITED

Regd. Office : Jai Kisaan Bhawan, Zuarinagar, Goa -403 726, CIN -L65910GA2009PLC006177

STATEMENT OF AUDITIED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Crores)

	Particulars	Standalone		Consolidated	
		Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Restated - Refer Note 10 below) (Audited)	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Restated - Refer Note 10 below) (Audited)
A	**Cash flow from operating activities:**				
	(Loss) before tax from continuing operations	(156.24)	(367.73)	(735.67)	(266.05)
	Profit/(loss) before tax from discontinued operations	(3.36)	27.13	-	-
	Share of (profit) of a joint venture			(82.18)	(55.35)
	Adjustments to reconcile (loss) before tax to net cash flows:				
	Depreciation of property, plant and equipment	57.17	44.42	102.66	83.25
	Amortisation of intangible assets	4.69	1.08	7.96	4.21
	Profit on Slump sale	(698.97)	-	-	-
	(Profit) / loss on disposal of property, plant and equipment (net)	(4.35)	2.17	2.81	5.42
	Impairment of capital work-in-progress	-	3.67	-	3.67
	Impairment/ (reversal of impairment) of long term investment	-	106.18	-	106.18
	Profit on Cancellation of Lease	(0.14)	-	(0.14)	
	Excess provision / unclaimed liabilities / unclaimed balances written back	(12.46)	(4.87)	(12.46)	(5.02)
	Bad debts, claims and advances written off	64.82	31.80	64.82	31.80
	Provision for doubtful debts, claims and advances	104.95	9.41	117.53	18.35
	Subsidy claims written off	1.57	1.41	1.57	1.41
	Incentive under packing scheme incentive	(0.17)	(0.17)	(0.17)	(0.17)
	Deferred income	1.26	-	1.26	-
	Unrealized foreign exchange fluctuation loss	32.22	1.17	34.13	(20.91)
	Interest expense	398.66	329.76	475.75	418.78
	Interest income	(3.40)	(26.51)	(13.29)	(29.78)
	Dividend income	(28.90)	(28.78)	(0.02)	(0.02)
	Operating profit / (loss) before working capital adjustments	**(242.65)**	**130.14**	**(35.44)**	**295.77**
	Working capital adjustments :				
	Increase /(decrease) in provisions	1.96	(0.87)	1.71	1.24
	Increase /(decrease) in trade payables and other liabilities	(146.91)	590.01	(123.70)	565.15
	Decrease / (increase)in trade receivables	1,445.95	(215.94)	1,567.74	(535.91)
	(Increase) / decrease in inventories	931.22	(571.60)	1,216.63	(714.14)
	(Increase) /decrease in other assets and financial assets	77.40	(38.55)	25.89	28.20
	(Increase) / decrease in loans and advances	(7.57)	16.94	(9.21)	7.26
		2,302.05	**(220.01)**	**2,679.06**	**(648.20)**
	Cash Generated From Operations	**2,059.40**	**(89.87)**	**2,643.62**	**(352.43)**
	Less : Income tax paid (net of refunds)	5.59	13.73	(8.32)	(2.27)
	Net cash flow from operating activities (A)	**2,064.99**	**(76.14)**	**2,635.30**	**(354.70)**
B	**Cash flow from investing activities:**				
	Purchase of property, plant and equipment, including intangible assets, CWIP and capital advances	(20.26)	(84.75)	(85.81)	(147.79)
	Proceeds from sale of property, plant and equipment	6.59	0.35	6.59	0.46
	Purchase of non-current investments	(0.01)	-	-	-
	Purchase of current investments		-	0.00	-
	Investment in bank deposits (having original maturity of more than 3 months)	(10.46)	(17.38)	(20.38)	(17.46)
	Interest received	51.40	33.97	61.10	39.65
	Dividend received	28.90	28.78	22.50	22.50
	Net cash flow from / (used in) investing activities (B)	**56.16**	**(39.03)**	**(16.00)**	**(102.64)**
C	**Cash flow from financing activities:**				
	Proceeds from long term borrowings	273.50	530.03	278.65	666.99
	(Repayment) of long term borrowings	(407.78)	(119.59)	(462.12)	(151.94)
	(Repayment) of lease liability	(12.25)	-	(15.05)	-
	Proceeds from short term borrowings	249.32	4,112.83	249.32	6,113.78
	(Repayment) of short term borrowings	(1,865.62)	(4,142.04)	(2,046.99)	(5,882.42)
	Tax on equity dividend paid	-	-	(5.45)	(5.57)
	Dividend distribution tax paid	-	-	(1.12)	(1.14)
	Interest paid	(313.50)	(292.46)	(401.39)	(379.86)
	Net cash flow (used in) financing activities (C)	**(2,076.33)**	**88.77**	**(2,404.15)**	**359.84**
D	**Net (decrease)/increase in cash and cash equivalents (A + B + C)**	**44.82**	**(26.40)**	**215.15**	**(97.50)**
	Cash and cash equivalents at the beginning of the period	7.09	33.49	49.89	147.39
	Cash and cash equivalents at the period end	**51.91**	**7.09**	**265.04**	**49.89**
	Cash and cash equivalents				
	Balances with banks				
	- on current accounts	48.29	7.06	66.87	19.21
	- on cash credit accounts	3.60	0.02	3.60	0.02
	- Deposits with original maturity of less than 3 months	0.02	-	194.52	30.60
	Cash on hand	-	0.01	0.05	0.03
	Cheques on hand	-	-	-	0.03
	Cash and cash equivalents	**51.91**	**7.09**	**265.04**	**49.89**

ZUARI AGRO CHEMICALS LTD. * Zuarinagar *

Notes:

1. The above standalone (standalone financial results) and consolidated (consolidated financial results) have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended, from time to time.

2. The consolidated financial results comprise the financial results of the Company and its subsidiaries, herein after referred to as "the Group" including its Joint Ventures and its Subsidiaries and Associates as mentioned below:

   Subsidiaries:
   a) Mangalore Chemicals & Fertilizers Limited (MCFL)
   b) Adventz Trading DMCC (ATD)
   c) Zuari Farmhub Limited (ZFL)

   Joint Ventures:
   a) Zuari Maroc Phosphates Private Limited (ZMPPL)
   b) Paradeep Phosphates Limited (PPL) (subsidiary of ZMPPL)

   Associate of Joint Ventures:
   a) Zuari Yoma Agri Solutions Limited (associate of PPL)

Also refer note 10 below.

3. These standalone and consolidated financial results for the quarter and year ended on March 31, 2020 have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company in their respective meetings held on June 19, 2020. The Statutory Auditors have conducted "Audit" of these results in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and have expressed unqualified report on the above results.

4. Ind AS 116 "Leases", mandatory for reporting period effective from April 1, 2019 has been adopted using the modified retrospective approach. Accordingly, comparative information has not been restated. As on April 1, 2019, Right of use asset at an amount equivalent to the lease liability have been recognised and consequently there has been no adjustment to the opening balance of retained earnings as on April 1, 2019.

   In the Statement of profit and loss for the quarter and year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from rent in previous periods to depreciation cost for the right to use asset and finance cost for interest accrued on lease liability. The adoption of this standard had no significant impact on these standalone and consolidated financial results.

5. 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 management has contested this amendment (both retrospective and prospective) at different levels of authorities including but not limited to filing a writ petition in the Hon'ble High Court of Bombay at Goa in this regard. Basis legal view obtained the management and also relying on similar fact pattern in an order dated 18 September 2018 of the High Court of Gujarat in respect of another application of another company on this matter wherein ad-interim relief was granted, believes that the refund in respect of tax paid on input services and that no liability including interest, if any, would arise from the same. Consequently, as at 31 March 2020, the Company and the Group has carried forward an amount of INR 82.87 crores and 140.66 crores, respectively as amount recoverable towards this matter.

6. The Company is in the business of manufacturing and trading of various types of fertilizer products. Due to significant delays in receipt of subsidy from the Government of India in earlier periods, drought like situation in our key marketing area in earlier periods there was consequent deterioration of the Company's liquidity position, which led to elongation

ZUARI AGRO CHEMICALS LTD. Zuarinagar

of the working capital cycle of our Company. The 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, on account of which the Company is having net current liability position of INR 1,506.22 crores as at March 31, 2020. These factors adversely impacted company's cash flow, debt positions, delay in repayment of loans on contractual maturity date, recall of loans from two lenders due to non-meeting of covenant breach, downgrading of their rating to (ICRA) D and prolonged shut down of its plants for different periods during the year.

With optimal working capital liquidation/ realization and in agreement with lenders on the Resolution plan, the Company has cleared all the overdues with Banks / Financial Institutions by December 05, 2019 and have reduced its borrowings and all accounts are now standard with all lenders since Jan 02, 2020. Also, different plants commenced its operations due to availability of raw materials and working capital. All these have helped upgrading of its rating to (ICRA) B stable in April 2020.

The management believes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business and thus material uncertainty will be resolved due to various steps undertaken (explained above), restructuring and sale of certain assets as explained in note 15 and 16, ongoing discussion with other lenders for funding as required, expected advance from a Group Company against acquisition of assets, and future cash flow projections, the management of Company believes that the Company is fully secured in relation to the payment of external debts payable by the Company.

7. During the quarter ended March 31, 2020 NPK A plant was shut down for 55 days and NPK B was shut down during the whole quarter. Subsequent to year end, NPA A plant was shut down for 43 days till date and NPK B plant was shut down during the whole period from April 01, 2020 to till date-.

8. The audited financial results of the Company and Group for the quarter and year ended March 31, 2020 have been prepared on the basis of consistently applied policy parameters of estimating price for period for which pricing/escalation/or deesclation is pending to be finalized by the Government in accordance with notified pricing policy as applicable to respective entity of the Group.

9. During the current quarter and year ended, assessment has been performed regarding recognition criteria in relation to deferred tax asset and tax balances on the basis of future profitability projections and manner/period of utilization thereof including restructuring exercises being considered by the management along with considering paying Income Tax at reduced rates as per the provisions/conditions defined in the new Section 115BAA in the Income Tax Act, 1961, inserted vide the Taxation Laws (Amendment) Ordinance 2019. Consequential impact of INR 133.31 Crores and INR 21.54 Crores-has been recorded in deferred tax in the standalone and consolidated financial results for the quarter and year ended March 31, 2020, respectively.

10. In respect of the Company's investment of INR 11,943.47 lakhs (31 March 2019: INR 11,943.47 lakhs) in the rock phosphate mining project (which is under development) through MCA Phosphate Pte Limited (MCAP), a joint venture company, there had been a deadlock between the Company and its JV partner Mitsubishi about certain impairments recorded in the financial statements of MCAP for financial years 2015-16 and 2016-17.

    On 15 February 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 30 May 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 1 April 2018. The Company initiated legal proceedings before the High Court of Singapore on 4 June 2018 seeking certain relief. An order has been passed by the High Court of Singapore on 13 August 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 20 December 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

ZUARI AGRO CHEMICALS LTD.

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 had 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 4 December 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 23 April 2019.

For the year ended 31 March 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 indicated 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 INR 1,161.76 lakhs recognised for the year 31 March 2018 had been reversed in 31 March 2019 and disclosed as an exceptional income.

During the current year, based upon multiple hearings for arbitration which occurred between 9 September 2019 to 12 September 2019, ICC has passed its partial award on February 11, 2020. The Arbitral Tribunal (by majority) agreed that approval of MCAP's financial statements for Financial Year 2016 & 2017 was in violation of Company's Super Majority Rights; it refused to grant any other reliefs claimed by the Company for the reasons cited in the Partial Award including the Company's prayer for a buy-out for an amount of USD 37 million.

The Arbitral Tribunal also held that the higher of the fair market value and book value of MCAP's shares is currently USD 0. For the purposes of buy-out in terms of the MCAP Shareholders Agreement, the Call Price for Company's 21,690,000 ordinary shares in MCAP are valued at USD 0.01 per share. Consequently, the Company and JV Partner entered into a stipulation agreement on March 27, 2020, vide which they inter alia was agreed:

- Company will pay JV Partner USD 216,900/- towards the costs incurred by JV Partner in the Arbitration;
- JV Partner will buy Company's shares in MCAP for a total value of USD 216,900

ICC has passed its final order on May 07, 2020. As per final order, Parties shall have no rights or claims against each other. Each Party will bear its own costs of ICC arbitration and Singapore Proceedings, except that the Company will reimburse JV Partner $216,900 for fees paid by JV Partner to the ICC.

JV Partner will exercise its Call Option to purchase Company's shares of MCAP for $216,900. Within 15 days of the Final Award, Company will transfer to JV Partner all of its shares of MCAP which the Company has already initiated through its counsels. MCAP shall thereafter exercise the Put Option and will promptly provide notice to counsel for Company when that is done. Additionally, ICC reimburses the Parties for any fees previously paid to the ICC, Zuari will be entitled to 85% of such reimbursed fees, and Mitsubishi will be entitled to 15% of reimbursed fees.

Basis the ICC order and stipulation agreement, the Company has assessed the fair value of the said investment as at 31 March 2019 and have concluded that the impairment loss was required to be recognized as at 31 March 2019. Accordingly, the Company has recognized an impairment loss of INR 117.79 crores in the financial results and the figures for the quarter and year ended 31 March 2019 have been appropriately restated and disclosed under exceptional items as per Ind AS 8 "Accounting Policies, Change in Accounting Estimates and Errors".

Also, the Company has concluded that the Company would cease to consolidate MCAP as Joint Venture in accordance with Ind AS 28 "Investments in Associates and Joint Ventures" using equity method of consolidation for quarter ended and year ended 31 March 2020. Accordingly, the Company has recognized an consolidation adjustment of INR 60.84 lakhs in opening retained earnings for earlier years and reversal of loss of INR 97.22 lacs and OCI income of INR 384.96 lacs recognized from April 01, 2019 till December 31, 2019 in the consolidated financial results and the figures for the quarter and year ended 31 March 2020 and carried investment at fair value of USD 0.01 as at 31 March 2020.

Disclosure pursuant to Ind AS 8 "Accounting Policies, Change in Accounting Estimates and Errors" (specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2015) is as below:.

ZUARI AGRO CHEMICALS LTD. * Zuarinagar *

(Rs in Crores)

Particulars	Standalone				Consolidated				
	Profit before tax	Profit after tax	Earnings per share* (Rs)	Total comprehensive income	Profit before tax	Profit after tax	Earnings per share* (Rs)	Total comprehensive income	Investment
Year Ended 31 March 2019 (Restated)	(367.74)	(345.81)	(82.22)	(357.99)	(266.25)	(272.94)	(68.56)	(296.34)	1.64
Year Ended 31 March 2019 (Published)	(222.81)	(211.15)	(50.20)	(240.19)	(148.25)	(155.14)	(40.56)	(178.54)	119.43
Quarter Ended 31 March 2019 (Restated)	(256.17)	(252.74)	(60.09)	(225.66)	(259.57)	(255.17)	(60.01)	(264.83)	1.64
Quarter Ended 31 March 2019 (Published)	(128.91)	(129.06)	(30.69)	(136.90)	(141.77)	(137.37)	(32.00)	(147.03)	119.43

*Basic & diluted

11. The Company was planning to set up a Phosphatic fertilizer plant in Ras-Al-Khaimah (RAK) in United Arab Emirates in collaboration with Ras-Al-Khaimah Maritime City Free Zone Authority and had incurred an expenditure on feasibility study and related expenditure in earlier years which was disclosed as recoverable. The Company has provided for the investment in the rock phosphate mining project through MCAP as per note described above. The Company had also claimed recovery of expenses incurred on RAK project in its claim as this project was envisaged with the view of backward integration. Based on order passed by ICC, the Company's claim for reimbursement of expenses incurred on RAK project was also dismissed. In view of above, the Company has decided not to proceed further on RAK project, thereby, the Company has provided for expenses incurred in the financial results.

12. The Company is carrying a receivable of INR 19.49 crores 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 had filed writ petition at Hon'ble High Court of Delhi against Department of Fertilizer to recover this amount. Pursuant to the court order the Court hearing was granted by DoF to present its claims and also submitted written representations. DoF vide their order dated September 29, 2019 had rejected the representation and submissions by the Company. The Company is in the process of filing writ petition to the

ZUARI AGRO CHEMICALS LTD. * Zuarinagar *

higher authority against the order passed by DoF and based on the legal assessment done by the Company, it is hopeful to realize the aforesaid amount, hence, no provision has been made in the accounts.

13. During the quarter and year ended March 31, 2020, the Company has recorded demurrage charges and ship or pay charges of INR (3.35) crores and INR 79.95 crores, respectively has been recorded in cost of Raw Material consumed. Further, basis review of recoverability for certain assets including but not limited to intangibles, trade receivables, advances and other assets, impairment of INR 90.04 Crores and INR 148.26 crores respectively has been recorded in other expenses in standalone financial results for the quarter and year ended March 31, 2020.

14. The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Nationwide total lockdown announced from 25 March 2020 due to COVID-19 pandemic was gradually lifted based on the impact of outbreak. The agriculture and fertilizer sector remain relatively unaffected on demand side, the Company's operation have not been affected significantly on account of COVID-19 despite some issues relating to non-availability of labour and supply chain disruptions. The proactive support and relaxations extended by the Central and respective State Governments helped Company's production, distribution and sale of fertilizers and crop protection chemicals to remain unaffected. The Company has been able to operate its plants at normal levels by mobilizing critical work force and adopting stringent social distancing, safety measures and guidelines issued in this regard.

    Further, the Company has also assessed the impact of this pandemic on recoverability of carrying value of financial and non-financial assets as at the balance sheet date using various internal and external information up to the date of approval of these financial results. The management has also performed sensitivity analysis on the assumptions used and based on present estimates and believes that the carrying amount is considered to be recoverable and accordingly no further adjustments is required in the financial results.

    However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of Covid-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.

ZUARI AGRO CHEMICALS LTD. * Zuarinagar *

15. Pursuant to board approval obtained on 5 February 2020 and vide business transfer agreement dated March 31, 2020, the Company has transferred its Retail & allied Business to Zuari Farmhub Limited (ZFL) with effect from March 31, 2020, on a going concern basis under a slump sale arrangement at a consideration of INR 785.56 crore based on valuation from an independent expert. The 'retail & allied business' means all the assets and liabilities pertaining to the retail, speciality nutrients, crop protection chemicals and seeds and blended fertilizer business of the Company. Consequently, the Company net assets of INR 86.59 crores has been transferred mainly representing property plant and equipment, inventories, trade receivables and trade payables has been transferred to ZFL and has recognized a gain of INR 698.97 crores as an exceptional item in the standalone financial results of the Company. The consideration was settled by issuance of Compulsory Convertible Debentures of ZFL for INR 435.56 crores and balance to be paid in cash by Decemeber'2020. Subsequent to year end, in accordance with discussion between parties, it has been agreed to discharge the consideration by issuance of equity shares of ZFL.

In terms of Ind-AS 105 "Asset Held for Sale and Discontinued Operations" particulars of discontinued operations considered in the above results are as follows: -

(INR in crores)

Particulars	3 months ended '31/03/2020	3 months ended '31/12/2019	3 months ended '31/03/2019	12 months ended '31/03/2020	12 months ended '31/03/2019
Total Income	39.70	61.32	71.00	306.55	396.13
Total expense	57.20	64.32	61.54	309.91	369.00
(Loss)/ Profit for discontinued operations before tax the year	(17.50)	(3.00)	9.46	(3.36)	27.13
Tax charge/ (credit) including deferred tax pertaining to discontinued operations	4.32	0.74	(3.58)	0.83	(10.27)
(Loss)/ Profit for discontinued operations	(13.18)	(2.26)	5.88	(2.53)	16.86

Subsequent to year end, OCP Group has expressed an interest to make an investment in ZFL of USD 46.5 million in ZFL, subject to the completion of a confirmatory due diligence by OCP. The Company has accepted the offer.

16. In October 2019, with a view to building a large fertilizer company with access to both Phosphates and Nitrogenous fertilizers and to access the markets serviced by the Company, it proposed and OCP group agreed to evaluate Company's Goa plant for a merger into or slump sale to Paradeep Phosphates Limited (PPL) on both Strategic and financial grounds.

With this objective in mind, reputed advisors were engaged both by the Company and OCP and after detailed discussions, both Company and OCP have recently agreed to a valuation of US $280mn for the Goa plant of the Company. This transaction would bring in long term funds in the Company and would take care of long-term Liabilities of the Company.

Both the parties have also agreed that the said valuation is subject to a confirmatory due diligence to be undertaken by PPL for purchase of Goa Plant of the Company and other legal requirements including approval of Government of India.

It may be noted that presently, the Company and OCP hold 50% each of the total equity capital of Zuari Maroc Phosphates Private Limited (ZMPPL) and ZMPPL holds 80.45 % of the Share capital of PPL.

ZUARI AGRO CHEMICALS LTD. Zuarinagar

17. The Company is engaged in the business of manufacturing, trading and marketing of seeds, pesticides, chemical fertilizers and fertilizers products which constitutes a single operating segment as per Ind AS 108 hence separate segment disclosures have not been furnished.

18. Due to loan repayment defaults during the year, the remuneration of Rs. 81 lacs paid to its Managing Director in accordance with ordinary resolution but not without prior approval from banks/ financial institutions and approval of shareholders by special resolution as per provisions of Section 197 of Companies Act, 2013 (Act) read with Schedule V, has been recognized as recoverable from Managing Director as at year end. As per Section 197(10) of the Act, the Company proposes to seek approval of shareholders by way of special resolution for waiver of recovery of remuneration paid to Managing Director, after obtaining prior approval from the banks / financial institutions.

19. The figures of quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures of full financial year and the published year to date figure up to the third quarter of that respective financial years which were subject to limited review.

20. In respect of one subsidiary located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the respective country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in the respective country to accounting principles generally accepted in India.

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

ZUARI AGRO CHEMICALS LTD. ★ Zuarinagar ★

For and on behalf of Board of Directors
Sunil Sethy
Managing Director
DIN: 00244104

Date: June 19, 2020

S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone 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 Agro Chemicals Limited,

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Zuari Agro Chemicals Limited, (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2020 and net loss and other comprehensive loss and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 6 of the accompanying Standalone Financial Results, which states that in addition to net current liability position as at March 31, 2020, there are other factors indicating material uncertainty over timely discharge of its liabilities and its consequential impact on Company's ability to continue as a going concern. Note 6, also describes the mitigating factors considered by the management in its assessment, in view of which the accompanying Standalone Financial Results have been prepared under the going concern assumption.

Our conclusion is not modified in respect of this matter.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results (refer our note on Material Uncertainty Related to Going Concern above) or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

1) We draw attention to Note 14 of the accompanying Standalone Financial Results, which describes the uncertainties and the impact of COVID-19 pandemic on the Company's operations and results as assessed by the management.

2) We draw attention to Note 10 of the accompanying Standalone Financial Results, which describes the impact of INR 117.79 crores as an adjustment related to impairment of investment in MCA Phosphates Pte Ltd, which has led to a restatement of the Standalone Financial Results for the quarter and year ended March 31, 2019.

3) We draw attention to Note 12 of the accompanying Standalone Financial Results, wherein the 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 Company, the management believes that the amount is fully recoverable from the department of fertilizers. Pending settlement of the differential subsidy amount as more fully explained in note, the Company has not made any provision in this regard in the Standalone Financial Results.

4) We draw attention to Note 5 of the accompanying Standalone Financial Results, regarding Goods and Services Tax ('GST') credit on input services recognized by the Company based on its assessment and on a legal opinion obtained by the Company and reliance placed on an order of High Court of Gujarat providing interim relief in a similar matter. The Company has also filed a writ petition in the High Court of Bombay at Goa.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern (refer Note 6 of the accompanying standalone financial results) and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan
Partner
Membership No.: 108044

UDIN: 20108044AAAADP600

Place: New Delhi
Date: June 19, 2020

S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India

Independent Auditor's Report on the Quarterly and Year to Date Consolidated 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 Agro Chemicals Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Zuari Agro Chemicals Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements and financial information of the subsidiaries and joint venture, the Statement:

i. includes the results of the following entities (to indicate list of entities included in the consolidation);

1	Zuari Agro Chemicals Limited
Subsidiaries	
2	Mangalore Chemicals and Fertilisers Limited
3	Adventz Trading DMCC
4	Zuari Farmhub Limited
Joint Ventures	
4	Zuari Maroc Phosphates Private Limited
5	Paradeep Phosphates Limited (subsidiary of Zuari Maroc Phosphates Private Limited)
Associates of Joint Venture	
8	Zuari Yoma Agri Solutions Limited (associate of Paradeep Phosphates Limited)

ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and

iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive loss and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the loss and other comprehensive loss and other financial information of the Group including its joint venture in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern (refer Note 6 of the accompanying Consolidated Financial Results), disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

The independent auditor's report on the financial statements and financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

One of these subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its respective country and which have been audited by other auditors under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan
Partner
Membership No.: 108044

UDIN: 20108044AAAADQ4781

Place: New Delhi
Date: June 19, 2020