



August 14, 2021

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 Board of Directors of the Company in its meeting held today, i.e. 14th August, 2021, inter alia, has considered and approved the following:

- (i) Unaudited Standalone and Consolidated Financial Results for the quarter ended 30th June, 2021 as recommended by the Audit Committee at its meeting held today i.e 14th August, 2021. A copy of the approved results alongwith Limited Review Report is enclosed as **Annexure -A**.
- (ii) Appointment of M/s K.P. Rao & Co, Chartered Accountants (FRN 003135S), as Statutory Auditors of the Company in place of retiring auditors M/s. S. R. Batliboi & Co. LLP, subject to the approval of shareholders at the ensuing Annual General Meeting. The details required under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.CIR/CFD/CMD/4/2015 dated 09/09/2015 are given in the enclosed **Annexure - B**.

Thanking You,

Yours Faithfully,
For Zuari Agro Chemicals Limited

Vijayamahantesh Khannur
Company Secretary

Encl: As above

ZUARI AGRO CHEMICALS LIMITED

CIN No.: L65910GA2009PLC006177

Registered Office: Jaikisaan Bhawan, Zuarinagar, Goa - 403 726, India.

Tel: +0832 2592180, 2592181, 6752399

www.zuari.in

ZUARI AGRO CHEMICALS LIMITED
 Regd. Office: Jal Kisan Bhawan, Zuarinagar, Goa -403 726, CIN -L65910GA2009PLC006177
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(IN IN Crore)

S.No	Particulars	STANDALONE				CONSOLIDATED			
		3 months ended	3 months ended	3 months ended	Year ended	3 months ended	3 months ended	3 months ended	Year ended
		30/06/2021	31/03/2021	30/06/2020	31/03/2021	30/06/2021	31/03/2021	30/06/2020	31/03/2021
	Unaudited	Audited - Refer Note 19 below	Unaudited	Audited	Unaudited	Audited - Refer Note 19 below	Unaudited	Audited	
1	Continuing operations								
	Revenue								
	(a) Revenue from operations	-	-	0.11	0.11	812.22	639.18	588.19	2,403.74
	(b) Other income	1.77	25.63	9.03	49.54	4.83	27.85	11.64	62.45
	Total income	1.77	25.63	9.14	49.65	817.05	667.03	599.83	2,466.19
2	Expenses								
	(a) Cost of raw material and components consumed	-	-	-	-	368.07	298.86	287.56	1,110.17
	(b) Purchase of traded goods	-	-	-	-	219.57	47.20	86.56	412.31
	(c) Changes in inventories of finished goods, traded goods and work-in-progress	-	-	0.10	0.10	(35.86)	43.10	27.60	24.69
	(d) Employee benefits expense	0.80	0.87	1.40	4.38	25.59	17.95	24.47	98.09
	(e) Depreciation and amortisation expense	0.87	0.88	0.98	3.67	17.00	20.56	15.77	67.96
	(f) Finance costs	30.43	16.93	34.98	118.35	42.74	29.99	62.24	200.45
	(g) Other expenses	1.53	6.97	15.41	24.64	186.38	284.66	127.77	852.73
	Total expense	33.63	25.65	52.87	151.14	814.49	662.32	631.97	2,466.39
3	Profit / (loss) before exceptional items and tax from continuing operations (1-2)	(31.86)	(0.02)	(43.73)	(101.49)	2.56	23.91	(32.14)	(0.20)
4	Share of profit of joint venture					14.85	0.13	19.57	86.74
5	Profit / (loss) before tax from continuing operations (3+4)	(31.86)	(0.02)	(43.73)	(101.49)	16.61	24.04	(12.57)	86.54
6	Tax expense/ (credit)								
	(a) Current tax	-	-	-	-	6.78	5.09	3.14	19.55
	(b) Deferred tax charge/ (credit)	-	-	-	-	6.64	4.15	3.51	18.91
	Income tax expense/ (credit)	-	-	-	-	13.42	9.24	6.65	38.46
7	Profit / (loss) for the period / year from continuing operations (5-6)	(31.86)	(0.02)	(43.73)	(101.49)	3.19	14.80	(19.22)	48.08
8	Profit / (loss) for the period / year from discontinued operations (Refer Note 5 below)	3.79	(2.26)	(66.73)	(135.63)	7.18	(16.82)	(75.29)	(174.31)
9	Tax expense of discontinued operations (Refer Note 5 below)	-	-	-	-	-	-	-	-
10	Profit / (loss) for the period / year from discontinued operations (Refer Note 5 below) (8-9)	3.79	(2.26)	(66.73)	(135.63)	7.18	(16.82)	(75.29)	(174.31)
11	Profit / (loss) for the period / year (7 + 10) (a)	(28.07)	(2.28)	(110.46)	(237.12)	10.37	(2.02)	(94.51)	(126.23)
12	Other Comprehensive income (net of tax)								
	A Items that will not be reclassified to profit or loss								
	Re-measurement gains / (losses) on defined benefit plans	0.81	0.47	0.81	0.53	(0.06)	1.08	0.81	1.31
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	0.02	(0.21)	0.04	(0.27)
	Net (loss)/gain on FVTOCI financial instruments	19.86	4.83	8.87	10.93	19.86	4.02	8.87	10.93
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Share of OCI of joint ventures					0.09	0.15	(0.83)	0.28
	B Items that will be reclassified to profit or loss								
	Exchange differences on translation of foreign operations					0.01	0.01	(0.85)	0.07
	Total Other Comprehensive Income (b)	19.87	4.50	8.88	11.46	19.92	5.05	8.84	12.32
13	Total Comprehensive Income / (loss) for the period / year (a+b)	(8.20)	2.22	(101.58)	(225.66)	30.29	3.03	(85.67)	(113.91)
14	Profit attributable to:								
	Owners of the equity					(0.81)	(8.79)	(99.57)	(157.08)
	Non-controlling interest					11.18	6.77	5.06	30.85
	Other comprehensive income attributable to:								
	Owners of the equity					19.94	4.87	8.87	12.09
	Non-controlling interest					(0.02)	0.18	(0.83)	0.23
	Total comprehensive income attributable to:								
	Owners of the equity					19.13	(3.92)	(90.70)	(144.99)
	Non-controlling interest					11.16	6.95	5.83	31.08
15	Paid-up Equity Share Capital (face value INR 10/- per share)	42.06	42.06	42.06	42.06	42.06	42.06	42.06	42.06
16	Other Equity as per balance sheet of previous accounting year				(150.69)				154.14
17	Earnings/ (Loss) per share (of INR 10/- each) (not annualised):								
	(a) Basic and diluted EPS from continuing operations (INR)	(7.57)	(0.80)	(10.40)	(24.13)	(1.90)	1.91	(5.77)	4.18
	(b) Basic and diluted EPS from discontinued operations (INR)	0.50	(0.54)	(15.86)	(32.25)	1.71	(4.00)	(17.90)	(41.45)
	(c) Basic and diluted EPS from continuing and discontinued operations (INR)	(6.67)	(0.54)	(26.26)	(56.38)	(0.19)	(2.09)	(23.67)	(37.35)



Notes:

1. The above unaudited standalone financial results and 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 Venture (including Joint Venture's Subsidiary and Associate) as mentioned below:

1	Zuari Agro Chemicals Limited (ZACL)
Subsidiaries	
2	Mangalore Chemicals and Fertilizers Limited (MCFL)
3	Adventz Trading DMCC (ATD)
4	Zuari Farmhub Limited (ZFL)
Joint Venture	
5	Zuari Maroc Phosphates Private Limited (ZMPPL) Paradeep Phosphates Limited (PPL) (subsidiary of ZMPPL) Zuari Yoma Agri Solutions Limited (ZYASL) (associate of PPL)

3. These unaudited standalone and unaudited consolidated financial results for the quarter ended on June 30, 2021 and year to date from April 1, 2021 to June 30, 2021 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 August 14, 2021. 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 unmodified report on the above results.
4. The Company is engaged in the manufacturing, distribution, import and sale of Urea, DAP and various grades of NPK fertilizers under the "Jai kisaan" brand for more than 5 decades. In Q4 of FY19 and Q1 of FY20, due to significant delays in receipt of Government Subsidies, drought like situation in key marketing areas led to deterioration of the Company's liquidity position along-with elongation of the working capital cycle and also a built up of high-priced inventory. The Company was unable to pass on the increase in the prices of the raw materials to the farmers which contributed to operating losses, cash flow mismatch and reduced financial flexibility leading to the Company having a net current liability position of INR 1,936.12 crores as at June 30, 2021 (INR 1,556.74 crores as at March 31, 2021) before considering the effect of the business transfer agreement as explained in Note 5(i). These factors adversely impacted Company's cash flows, debt position, recall of borrowings by certain lenders, downgrading of rating to ICRA D and prolonged shutdown of its plants for different periods during the earlier periods.

With optimal working capital liquidation/realization and in agreement with lenders on the resolution plan, the Company had cleared all the overdues with Banks / Financial Institutions and have reduced its borrowings and all debt accounts are standard with the lenders. All these helped the Company upgrading its credit ratings to ICRA B stable in April 2020 which though shifted to Credit rating ICRA B placed under watch with developing implications in July 2020.

During the current quarter, Ammonia and Urea plant operated at normal levels except shutdown for annual maintenance. Further, operations of NPK A and B plant were intermittently not in operation primarily due to non-availability of raw materials during the quarter.

The above factors/events indicate that there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. As described in Note 5(i), the Company has entered into a Business Transfer Agreement with a group company (PPL) for transfer of its fertilizer plant at Goa and associated businesses (Fertilizer Division) of the Company as a going concern on a slump sale basis and against which an advance equivalent to 30% of the consideration has been approved by the Board of PPL to be paid to the Company after adjusting amount receivable



from the Company. Subsequent to the current quarter, PPL has paid certain amount against the approval obtained from its Board. The Company is also undertaking various steps to continue operations at its fertilizer plant and discussions with lenders for funding as required based on available credit limits. A combination thereof and resultant future cash flow projections, the management of Company believes that the Company will be able to realise its assets and discharge its liabilities and material uncertainty on the Company's ability to continue as a going concern will be addressed.

5. (i) Pursuant to Board approval dated February 22, 2021, the Company entered into a Business Transfer Agreement (BTA) dated March 1, 2021 with Paradeep Phosphates Ltd (PPL), subsidiary of ZMPPL, a joint venture company (the Company and OCP S.A. hold 50% each of the total equity capital of ZMPPL and ZMPPL holds 80.45% of the share capital of PPL) to transfer its fertilizer plant at Goa and associated businesses as going concern on a slump sale basis for an agreed enterprise value of INR 2,052.25 crores (equivalent to USD 280 million as per the BTA).

Pursuant to the BTA, i) the longstop date has been extended from June 30, 2021 to December 31, 2021; and ii) with the commitment from PPL for necessary financial assistance, the Company is provided with the option to settle all outstanding amounts against fund based working capital facility prior to or on the completion date instead of earlier option of prior to completion date.

The effect of the transfer will be reflected in the financial information/statements of the period in which the deal is consummated.

As required by Ind-AS 105 "Asset Held for Sale and Discontinued Operations" the disclosure of the impact of the above mentioned BTA as discontinued operations after eliminating intercompany transactions is as follows:

Standalone (INR in crores)

Particulars	3 months ended 30/06/2021	3 months ended 31/03/2021	3 months ended 30/06/2020	Year ended 31/03/2021
Total Income	576.04	815.20	425.41	2,245.49
Total expense	572.25	817.46	492.14	2,381.12
Profit/(loss) for discontinued operations before tax the year	3.79	(2.26)	(66.73)	(135.63)
Tax charge including deferred tax pertaining to discontinued operations	-	-	-	-
Profit/(loss) for discontinued operations	3.79	(2.26)	(66.73)	(135.63)

Consolidated (INR in crores)

Particulars	3 months ended 30/06/2021	3 months ended 31/03/2021	3 months ended 30/06/2020	Year ended 31/03/2021
Total Income	576.04	797.60	416.01	2,194.97
Total expense	568.86	814.42	491.30	2,369.28
Profit/(loss) for discontinued operations before tax the year	7.18	(16.82)	(75.29)	(174.31)
Tax charge including deferred tax pertaining to discontinued operations	-	-	-	-
Profit/(loss) for discontinued operations	7.18	(16.82)	(75.29)	(174.31)

Subsequent to the quarter end, PPL has filed the Draft Red Herring Prospectus (DRHP) with one of the object clause to part- financing the acquisition of the Company's fertilizer plant at Goa and associated businesses.

- (ii) During the year ended March 31,2020, pursuant to board approval obtained on February 5, 2020 and vide Business Transfer Agreement dated March 31, 2020, the Company had transferred its assets and liabilities of its retail, speciality



nutrient business (SPN) & allied, crop protection and care business (CPC), seeds and blended businesses (farmhub business) to Zuari Farmhub Limited (ZFL), a wholly owned subsidiary, with effect from March 31, 2020 on a going concern basis under a slump sale arrangement.

As per the Business Transfer Agreement dated March 31, 2020 with ZFL, pending certain regulatory licenses, the Company had agreed to provide support services to ZFL at Nil consideration for an intermediate period, initially agreed for three months, which was extended till March 31, 2021. April 1, 2021 onwards, Company has not provided any support services to ZFL.

As per the above-mentioned Business Transfer Agreement with ZFL, the consideration for slump sale of farmhub business to ZFL was settled by issuance of Compulsory Convertible Debentures (CCDs) of ZFL for INR 435.56 crores and balance of INR 350.00 crores was payable by December 31, 2020. ZFL on May 31, 2021 has issue CCDs of INR 350.00 crores to the Company pursuant to the approval by Board of Directors in the board meeting of ZFL held on May 27, 2021, at the same terms and conditions which were kept for CCDs previously issued for discharging part consideration of the slump sale. Also, the Board of Directors of ZACL in their meeting held on May 28, 2021 had also approved conversion of the balance consideration receivable in cash into CCDs.

The Company has entered into a non-binding agreement with a potential investor who has expressed its interest to invest in equity of ZFL to the tune of USD 46.5 million (being 30% of the enterprise value of ZFL) in two tranches and for which a confirmatory due diligence at an advanced stage and definitive agreement is expected to be executed in the coming quarters.

6. During the current quarter, the Company has received a requisition under section 100(2) of the Companies Act, 2013 from a group of shareholders holding 10.69% of shares, requesting the Board to call for an Extraordinary General Meeting (EGM) to discuss matters including proceeding against the two BTAs as mentioned in Note 5 (i) and (ii) above. The EGM was called on June 23, 2021 by the Board of Directors through video conferencing/ other audio visual means. However, since the requisite quorum was not present at the EGM, thereby the EGM of the Members of the Company called by the requisitionists under section 100, was cancelled for want of quorum as stipulated under section 103(2)(b) of the Companies Act 2013. Necessary filing in this regard have already been made by the Company as required by the statute.
7. The Company and the Group has assessed the impact of COVID - 19 and concluded that there is no material impact on the operations of the Company and the Group and no material adjustment is required at this stage in the financial results for the quarter ended June 30, 2021. However, the Company and the Group will continue to monitor the impact which is a continuing process, given the uncertainties with its nature and duration of COVID - 19 and the impact may be different from the estimates considered while preparing these results.
8. 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 (DOF), the Government has ex-post facto approved the subsidy paid on specific quantity of P&K fertilizer received in the relevant 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 (DHC) 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 has filed writ petition to the higher authority against the order passed by DoF. On March 3, 2021 DHC has issued notice in the writ petition and has directed DoF to file its reply. DoF has filed its reply on July 27, 2021 and the Company has been directed to file its rejoinder within six weeks thereafter. Matter is next listed on December 09, 2021. 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.



9. 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 by the management, believes that the refund / utilization in respect of tax paid on input services would be available and that no liability including interest, if any, would arise from the same on the Company. Consequently, as at June 30, 2021, the Company has carried forward an amount of INR 98.16 crores (March 31, 2021: INR 97.98 crores) as amount recoverable towards this matter.
10. The unaudited financial results of the Company and Group for the quarter ended June 30, 2021 and year to date April 1, 2021 to June 30, 2021 have been prepared on the basis of consistently applied policy parameters of estimating price for period for which pricing/escalation/or de-escalation is pending to be finalized by the Government in accordance with notified pricing policy as applicable to respective entity of the Group.
11. In case of subsidiary (MCFL), the urea concession income for the period/year has been recognized based on management’s estimate, pending finalization by the Government of India (“GOI”). Revenue for the quarter and year ended March 31, 2021 include additional urea concession income of INR 18.56 crores, relating to immediately preceding financial year recognized on finalization of escalation/de-escalation claims.
12. In case of subsidiary (MCFL), during the year ended March 31, 2021 had recognised urea subsidy income of INR 29.14 crores without benchmarking its cost of production using naphtha with that of gas-based urea manufacturing units recently converted to natural gas, as notified by the Department of Fertilizers [DoF] for subsidy income computation against which MCFL had filed a writ petition against the DoF before the Hon’ble High Court of Delhi [DHC]. Pending finalization of writ petition before the DHC against this matter, the management of MCFL based on legal opinion and considering the fact that the energy cost is always a pass through in subsidy computation, believes that artificial benchmarking is arbitrary and discriminatory and is confident of realisation of the aforesaid subsidy income.
13. Consequent to reassessment of uncertainty over eventual realization arising due to the order of DoF against the Subsidiary (MCFL) (challenged by a writ petition which is pending before DHC), during the quarter and year ended March 31, 2021, MCFL derecognized subsidy income of INR 26.86 crores relating to higher energy norms which was recognized till December 31, 2020 of fiscal year ended March 31, 2021.
14. The Group including Company is engaged in the business of manufacturing, trading and marketing of chemical fertilizers and fertilizers products which constitutes a single operating segment as per Ind AS 108 hence separate segment disclosures have not been furnished.
15. During the quarter ended June 30, 2021, Ammonia and Urea plants were under annual shutdown from May 3, 2021 and were expected to commence the startup activities by May 23, 2021 however, due to damages caused to the plant on May 16, 2021 by cyclone Tauktae, the startup activities have been rescheduled and ammonia and Urea Plants have resumed production on June 13, 2021. NPK B plant was shut down for 68 days for repair work and non-availability of raw materials. Further, the NPK A plant was also temporarily shut down to undertake repair activities for damages caused by the cyclone. Subsequent to the quarter, NPK A Plant has been shut down due to unavailability of raw materials and NBK B Plant has resumed its operation on July 19, 2021.

SSP plant of the Company has resumed its operations on July 13, 2021 with supply of raw materials having been tied up with a supplier.

16. Managerial remuneration paid to the erstwhile managing director (up to July 31, 2020) for the financial year 2020-21 was in excess of limits prescribed under section 197 read with Schedule V of the Companies, Act, 2013 by INR 0.07 crores. The Company proposes to seek approval of the shareholders at the ensuing Annual General Meeting for waiver of such excess remuneration paid, pursuant to section 197(10) of the Companies Act, 2013. With effect from September 3, 2020, the Company has appointed an executive director in the category of a whole-time director by a special resolution



at its annual general meeting. The remuneration paid to such executive director is in compliance of Schedule V of the Companies Act 2013.

During the year ended March 31, 2020 due to loan repayment defaults, a remuneration of INR 0.81 crores paid to its then managing director in accordance with ordinary resolution but not without prior approval from banks/financial institutions and approval of the shareholders by a special resolution as per provisions of Section 197 of Companies Act, 2013 (Act) read with Schedule V, has been recognized as recoverable from the 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 the then managing director, after obtaining prior approvals from the banks / financial institutions for which Company has initiated the process.

17. The Code of Social Security 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and final rules/interpretation have not yet been notified/issued. The Company and the Group is in process of assessing the effect of the Code and will recognize the impact, if any, based on its effective date.
18. In respect of one subsidiary located outside India (ATD), whose financial information/ 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 information/ statements of such subsidiary located outside India from accounting principles generally accepted in the respective country to accounting principles generally accepted in India.
19. The figures of quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year up to March 31, 2021 and the published year to date figures up to December 2020 being the date of the end of the third quarter of the financial years which were subject to limited review
20. Previous period's figures have been re-grouped/re-classified wherever necessary, to correspond with those of current period's classification.



For and on behalf of Board of Directors

A handwritten signature in black ink, appearing to read "Nitin M Kantak".

Nitin M Kantak
Executive Director
DIN: 08029847



Date: August 14, 2021
Place: Zuarinagar, Goa

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Zuari Agro Chemicals Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Zuari Agro Chemicals Limited (the "Company") for the quarter ended June 30, 2021 and year to date from April 1, 2021 to June 30, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This 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, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. 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 Standards on Auditing 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.
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 the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Material Uncertainty Related to Going Concern

We draw attention to Note 4 in the accompanying standalone financial results, which states that in addition to net current liability position as at June 30, 2021, there are events or conditions which indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. It 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.

6. Emphasis of Matters

- a) We draw attention to Note 7 of the accompanying standalone financial results, which describes the management's assessment of the impact of the uncertainties related to outbreak of COVID-19 on the future business operations of the Company.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

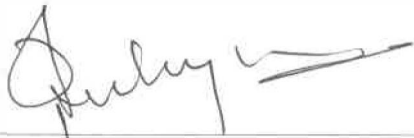
- b) We draw attention to Note 8 of the accompanying standalone financial results, wherein the Company is carrying a receivable of INR 19.49 crores in relation to the subsidy income accrued during the year ended March 31, 2013. Based on the legal opinion obtained by the Company, the management believes 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 accompanying standalone financial results.
- c) We draw attention to Note 9 of the accompanying standalone financial results, regarding Goods and Services Tax ('GST') credit on input services recognized by the Company, which the management has assessed to recover based on the legal opinion obtained by the Company. The Company has also filed a writ petition in the High Court of Bombay at Goa.

Our conclusion is not modified in respect of this matter.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Pravin Tulsyan

Partner

Membership No.: 108044



UDIN: 21108044AAAAIV5702

Place of Signature: Gurugram

Date: August 14, 2021

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Zuari Agro Chemicals Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Zuari Agro Chemicals Limited (the "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 June 30, 2021 and year to date from April 01, 2021 to June 30, 2021 (the "Statement") attached herewith, 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 (the "Listing Regulations").
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, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. 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 Standards on Auditing 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

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)



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 8 and 9 below, 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 the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Material Uncertainty Related to Going Concern

We draw attention to Note 4 in the accompanying consolidated financial results, which states that in addition to net current liability position as at June 30, 2021, there are events or conditions which indicate that a material uncertainty exists that may cast significant doubt on Holding Company's ability to continue as a going concern. It also describes the mitigating factors considered by the management in its assessment, in view of which the accompanying consolidated financial results have been prepared under the going concern assumption.

Our conclusion is not modified in respect of this matter.

7. Emphasis of Matters

- a. We draw attention to Note 7 of the accompanying consolidated financial results, which describes the management's assessment of the impact of the uncertainties related to outbreak of COVID-19 on the future business operations of the Group.
- b. We draw attention to Note 8 of the accompanying consolidated financial results, wherein the Holding 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 Holding 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 Holding Company has not made any provision in this regard in the accompanying consolidated financial results.
- c. We draw attention to Note 9 of the accompanying consolidated financial results, regarding Goods and Services Tax ('GST') credit on input services recognized by the Holding Company, which the management has assessed to recover based on the legal opinion obtained by the Holding Company. The Holding Company has also filed a writ petition in the High Court of Bombay at Goa.
- d. We draw attention to Note 12, which states that in case of a Subsidiary Company (MCFL), MCFL has recognized urea subsidy income of INR 29.14 crores considering that benchmarking of its cost of production of urea using Naptha with that of gas based urea manufacturing units is arbitrary and for which the MCFL has filed a writ petition against the Department of Fertilizers before the Hon'ble High court of Delhi. Based on legal opinion obtained, the management of MCFL believes that the criteria for recognition of subsidy revenue is met.

Our conclusion is not modified in respect of this matter.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

8. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:
- 2 subsidiaries, whose unaudited interim financial results include total revenues of INR 139.55 crores, total net profit after tax of INR 0.85 crores, total comprehensive income of INR 0.86 crores for the quarter ended June 30, 2021 and the period ended on that date as considered in the Statement which have been reviewed by their respective independent auditors.
 - 1 joint venture, whose unaudited interim financial results include Group's share of net profit of INR 24.12 crores and Group's share of total comprehensive income of INR 24.21 crores for the quarter ended June 30, 2021 and for the period from April 01, 2021 to June 30, 2021, as considered in the Statement whose interim financial results, other financial information have been reviewed by their respective independent auditors.

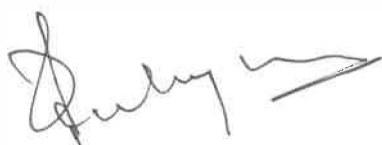
The independent auditor's reports on interim financial information/ financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, joint venture is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

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

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Pravin Tulsyan

Partner

Membership No.: 108044



UDIN: 21108044AAAAIW8698

Place of Signature: Gurugram

Date: August 14, 2021

Annexure B

Sr. No.	Particulars	Details
1	Name of the Auditor	M/s K.P. Rao & Co, Chartered Accountants (Firm Registration No. 003135S)
2.	Reason for change viz appointment, resignation, removal, death or otherwise	Appointment of M/s K.P. Rao & Co, Chartered Accountants as Statutory Auditors of the Company in place of retiring auditors M/s. S. R. Batliboi & Co. LLP, for a period of 5 years commencing from the conclusion of the 12th Annual General Meeting, subject to the approval of the shareholders.
3	Effective date of appointment Term of appointment	Ensuing 12th Annual General Meeting of the Company to be held on 17th September, 2021, subject to the approval of the shareholders. For a term of 5 years commencing from conclusion of 12th Annual General Meeting till the conclusion of the 17th Annual General Meeting.
3.	Brief Profile (in case of appointment)	M/s. K.P. Rao & Co. was established on 7th April 1965 at Bangalore by the founder partner Sri. K. Purnachandra Rao known popularly as K.P.Rao, is practicing in the professional areas of Audit & Assurance, Taxation and Management Advisory Services. The firm has branches in Mysore and Chennai, and Associates in Hyderabad, Cochin, Mumbai, and Delhi. The firm also holds a Peer Review Certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India dated 30 th June, 2017.
4.	Disclosure of relationships between directors (in case of appointment of director).	N.A.