



12th February 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. 12th February, 2021, inter alia, have considered and approved the Unaudited Financial Results of the Company for the quarter and nine months ended 31st December, 2020.

A copy of the approved results alongwith Limited Review Report is enclosed herewith.

Thanking You,

Yours Faithfully,

For Zuari Agro Chemicals Limited

A handwritten signature in blue ink, appearing to read "Vijayamahantesh Khannur".

**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: Jai Kisaan Bhawan, Zuaringar, Goa -403 726, CIN -L65910GA2009PLC006177
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

(INR in Crore)

S No	Particulars	STANDALONE						CONSOLIDATED					
		3 months ended 31/12/2020	3 months ended 30/09/2020	3 months ended 31/12/2019	9 months ended 31/12/2020	9 months ended 31/12/2019	Year ended 31/03/2020	3 months ended 31/12/2020	3 months ended 30/09/2020	3 months ended 31/12/2019	9 months ended 31/12/2020	9 months ended 31/12/2019	Year ended 31/03/2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Continuing operations												
	Revenue												
	(a) Revenue from operations	559.59	425.45	150.47	1,408.81	1,614.16	2,012.62	927.41	1,190.71	885.28	3,120.58	4,004.51	5,010.79
	(b) Other income	18.38	16.12	24.06	45.27	42.73	65.79	22.70	20.68	5.67	56.76	24.20	49.85
	Total income	577.97	441.57	174.53	1,454.08	1,656.89	2,078.41	950.11	1,211.39	890.95	3,177.34	4,028.71	5,060.64
2	Expenses												
	(a) Cost of raw material and components consumed	443.70	263.86	93.53	939.66	669.65	901.80	639.56	591.74	487.58	1,750.97	1,840.31	2,440.39
	(b) Purchases of traded goods	0.01	0.04	3.56	0.23	73.38	77.23	118.26	160.35	99.04	365.35	330.57	364.60
	(c) Changes in inventories of finished goods, traded goods and work-in-progress	(46.63)	5.27	91.12	28.02	714.16	740.31	(112.34)	23.08	88.53	9.51	943.24	982.16
	(d) Employee benefits expense	18.46	15.93	19.06	53.39	62.45	82.65	48.19	39.77	42.70	130.02	133.16	174.88
	(e) Depreciation and amortisation expense	12.21	10.62	12.56	35.75	37.27	50.38	27.50	25.16	26.88	80.36	80.03	110.62
	(f) Finance costs	81.49	97.16	89.85	262.96	328.27	424.61	97.46	117.22	113.27	323.42	422.26	534.62
	(g) Other expenses	128.13	114.31	97.00	369.68	400.75	656.65	200.71	259.76	262.08	700.08	862.19	1,271.22
	Total expense	637.37	507.19	406.68	1,689.69	2,385.93	2,933.63	1,019.34	1,217.08	1,120.08	3,359.71	4,611.76	5,878.49
3	(Loss) before exceptional items and tax from continuing operations (1-2)	(59.40)	(65.62)	(232.15)	(235.61)	(629.04)	(855.22)	(69.23)	(5.69)	(229.13)	(182.37)	(583.05)	(817.85)
4	Exceptional items (Refer Note 12)	-	-	-	-	-	698.97	-	-	-	-	-	-
5	Share of profit of joint venture	-	-	-	-	-	-	23.24	43.80	16.61	86.61	35.84	82.18
6	Profit / (loss) before tax from continuing operations (3+4+5)	(59.40)	(65.62)	(232.15)	(235.61)	(629.04)	(156.25)	(45.99)	38.11	(212.52)	(95.76)	(547.21)	(735.67)
7	Tax expense / (credit)												
	(a) Current tax	-	-	-	-	-	-	0.07	11.25	5.26	14.46	13.37	16.15
	(b) Deferred tax charge / (credit)	-	-	(108.71)	-	(108.71)	3023	0.19	11.06	(99.28)	14.76	(92.90)	20.46
	Income tax expense / (credit)	-	-	(108.71)	-	(108.71)	3023	0.26	22.31	(94.02)	29.22	(79.53)	36.61
8	Profit / (loss) for the period/year from continuing operations	(59.40)	(65.62)	(123.44)	(235.61)	(520.33)	(186.48)	(46.25)	15.80	(118.50)	(124.98)	(467.68)	(772.28)
9	Profit / (loss) for the period / year from discontinued operations (Refer Note 12 below)	-	-	(3.00)	-	14.14	(3.36)	-	-	-	-	-	-
10	Tax (income)/ expense of discontinued operations (Refer Note 12 below)	-	-	(3.49)	-	(3.49)	0.83	-	-	-	-	-	-
11	Profit / (loss) for the period / year from discontinued operations (Refer Note 12 below) (9-10)	-	-	(6.49)	-	10.65	(2.53)	-	-	-	-	-	-
12	Profit / (loss) for the period (8 + 11) (a)	(59.40)	(65.62)	(129.93)	(235.61)	(509.68)	(189.01)	(46.25)	15.80	(118.50)	(124.98)	(467.68)	(772.28)
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	0.27	0.41	0.25	0.82	0.76	(0.18)	0.36	0.61	(0.04)	1.00	0.10	0.06
	Income tax relating to items that will not be reclassified to profit or loss	-	-	(0.19)	-	(0.19)	0.04	(0.03)	(0.07)	(0.09)	(0.06)	0.04	(0.04)
	Net (loss)/gain on FVTOCI financial instruments	3.20	(5.16)	(1.29)	6.91	(15.32)	(17.51)	3.20	(5.16)	(12.9)	6.91	(15.32)	(17.51)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	6.74	-	6.74	7.82	-	-	6.74	-	6.74	7.82
	Share of OCI of joint ventures	-	-	-	-	-	-	(0.17)	0.33	(0.39)	0.13	(1.25)	(1.22)
	B Items that will be reclassified to profit or loss												
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	0.03	0.09	0.90	0.07	3.90	(0.03)
	Total Other Comprehensive Income/(loss) (b)	3.47	(4.75)	5.51	7.73	(8.01)	(9.83)	3.39	(4.20)	5.83	8.05	(5.79)	(10.92)
14	Total Comprehensive Income/(loss) for the period/year (a+b)	(55.93)	(70.37)	(124.42)	(227.88)	(517.69)	(198.84)	(42.86)	11.60	(112.67)	(116.93)	(473.47)	(783.20)
15	Profit attributable to:												
	Owners of the equity							(46.62)	(2.85)	(126.82)	(149.06)	(486.38)	(801.96)
	Non-controlling interest							0.37	18.65	8.32	24.08	18.70	29.68
	Other comprehensive income attributable to:												
	Owners of the equity							3.37	(4.26)	5.92	8.00	(5.59)	(10.99)
	Non-controlling interest							0.02	0.06	(0.09)	0.05	(0.20)	0.07
	Total comprehensive income attributable to:												
	Owners of the equity							(43.25)	(7.11)	(120.90)	(141.06)	(491.97)	(812.95)
	Non-controlling interest							0.39	18.71	8.23	24.13	18.50	29.75
16	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	42.06	42.06	42.06	42.06
17	Other Equity as per balance sheet of previous accounting year						74.97						299.13
18	Earnings/ (Loss) per share (of INR 10/- each) (not annualised):												
	(a) Basic and diluted EPS from continuing operations (INR)	(14.12)	(15.60)	(29.35)	(56.02)	(123.72)	(44.34)	(11.08)	(0.68)	(30.15)	(35.44)	(115.65)	(190.68)
	(b) Basic and diluted EPS from discontinued operations (INR)	-	-	(1.54)	-	2.53	(0.60)	-	-	-	-	-	-
	(c) Basic and diluted EPS from continuing and discontinued operations (INR)	(14.12)	(15.60)	(30.89)	(56.02)	(121.19)	(44.94)	(11.08)	(0.68)	(30.15)	(35.44)	(115.65)	(190.68)



Notes:

1. The above unaudited standalone (standalone financial results) and consolidated (consolidated financial results) 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
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 Paradeep Phosphates Limited (subsidiary of Zuari Maroc Phosphates Private Limited) Zuari Yoma Agri Solutions Limited (associate of Paradeep Phosphates Limited)

Also refer note 9 below

3. These unaudited standalone and unaudited consolidated financial results for the quarter ended on December 31, 2020 and year to date period from April 1, 2020 to December 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 February 12, 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. 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 Group. Consequently, as at December 31, 2020, the Company and the Group has carried forward an amount of INR 97.63 crores and INR 104.15 crores, respectively as amount recoverable towards this matter.
5. The Company is in the business of manufacturing and trading of various types of fertilizer products. In earlier periods, due to significant delays in receipt of 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. Also, in earlier periods, 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 the Company, on account of which the Company is having net current liability position of INR 1,555.69 crores as at December 31, 2020 (INR 1,506.22 crores as at March 31, 2020). These factors adversely impacted company's cash flow, debt positions, recall of borrowings by certain lenders, downgrading of their rating to [ICRA] D and prolonged shut down 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 accounts are standard with all lenders. All these helped upgrading of its credit ratings to [ICRA] B stable in April 2020 and post that Credit rating [ICRA] B and placed under watch with developing Implications in July 2020.

During the current quarter, the Ammonia & Urea plant operated at normal levels. NPK A plant was intermittently closed and NPK B plant which was not in operations till October 30, 2020 has started operations with effect from October 31, 2020. With these all the three plants of bulk fertilizers of the Company are in operation.



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, restructuring and sale of certain assets as explained in note 12 and 13, ongoing discussion with other lenders for funding as required, expected advance from 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.

6. During the quarter ended December 31, 2020 Ammonia and Urea plants were shut down for 9 days for repair works. With effect from October 31, 2020, NPK B has commenced production. All the three plants of the Company are in operation effective October 31, 2020.

In case of subsidiary Company (MCFL), Ammonia and Urea plants were shut down on October 5, 2020 for preparations required for natural gas operation besides replacement of compatible ammonia plant catalyst. MCFL has commenced operation of Ammonia and Urea Plants with natural gas post testing and commissioning activities and Urea production commenced on December 12, 2020. MCFL has become a gas-based urea manufacturing unit and will be eligible for fiscal incentives by higher energy norms.

7. The unaudited standalone and consolidated financial results for the quarter ended December 31, 2020 and year to date period from April 1, 2020 to December 31, 2020 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 Urea finalized by the Government in accordance with notified pricing policy as applicable to respective entity of the Group. Also refer note 8 below.
8. In case of Subsidiary (MCFL), during the period ended December 31, 2020, MCFL has recognised urea subsidy income of INR 26.94 crores based on higher energy norms that was effective till the period ended March 31, 2020 which was extended to gas based urea units till September 30, 2020 and INR 30.48 crores without benchmarking its cost of production of urea by using naphtha with that of gas price of fertilizer companies recently converted to natural gas. On October 1, 2020, MCFL filed a writ petition against the Department of Fertilizers [DoF] before the Hon'ble High Court of Delhi [DHC] since several representations were not accepted by DoF. MCFL is in the process of filing additional submissions before the DHC sequel to the DoF order dated November 17, 2020. The management, based on legal opinion and its assessment, is confident of realization of the aforesaid subsidy income.
9. In June 2018, Zuari initiated arbitration proceedings against Mitsubishi Corporation, Japan (Mitsubishi) and MCA Phosphates Pte Ltd (MCAP) for resolution of disputes under the Shareholders' Agreement dated December 20, 2011. In the previous period, basis the Arbitral Tribunal award & ICC Court of Arbitration (ICC) final order passed on May 7, 2020 and stipulation agreement signed between the Company and Mitsubishi on March 27, 2020, the Company has assessed the fair value of its investment in rock mining project and accordingly, recognized an impairment loss of INR 117.79 crores in the financial for the quarter and year ended March 31, 2019 and were appropriately restated and disclosed under exceptional items as per Ind AS 8 "Accounting Policies, Change in Accounting Estimates and Errors". Further, the Company also 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. Hence, the Company recognized impact in the consolidated financial results for the quarter and year ended March 31, 2020 and also carried investment at fair value of USD 0.01 as at March 31, 2020.

As per ICC final order, during the quarter ended June 30, 2020, the Company has transferred to Mitsubishi 21,690,000 shares of MCAP valued at USD 0.01 per share. Also, since the Company and Mitsubishi owed each other USD 216,900, the amounts were set off and no money was exchanged between the Company and Mitsubishi as per the Arbitral award.

10. 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 has filed writ petition to the 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.

11. Amid COVID-19 pandemic situation, during previous quarter, the Company's operations at factory premises were temporarily impacted as Ammonia and Urea plants operated at lower capacity and NPK A plant was intermittently shutdown. This was on account of disruption in bagging and dispatch operations due to non-availability of labours owing to significant rise in COVID-19 cases within and around factory premises.

Further, the Group including Company has assessed the impact of COVID – 19 and concluded that there is no material impact on the operations of the Group and no material adjustment is required at this stage in the unaudited results of the Group for the period/quarter ended December 31, 2020. However, the Group will continue to monitor the impact which is a continuing process, given the uncertainties with its nature and duration of COVID – 19.

12. Pursuant to board approval obtained on February 5, 2020 and vide business transfer agreement dated March 31, 2020, the Company has transferred its assets and liabilities of its retail, speciality nutrient business (SPN) & allied, crop protection & care business (CPC), seeds and blended businesses to Zuari Farmhub Limited (ZFL) with effect from March 31, 2020, on a going concern basis under a slump sale arrangement. Consequent to which a gain of INR 698.97 crores as an exceptional income was recognized in the standalone financial results of the quarter and year ended March 31, 2020.

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: -

Particulars	(INR in crores)		
	3 months ended 31/12/2019	9 months ended 31/12/2019	12 months ended 31/03/2020
Total Income	61.32	266.85	306.55
Total expense	64.32	252.71	309.91
Profit / (loss) for discontinued operations before tax the year	(3.00)	14.14	(3.36)
Tax charge/ (credit) including deferred tax pertaining to discontinued operations	(3.49)	(3.49)	0.83
Profit / (loss) for discontinued operations	(6.49)	10.65	(2.53)

As informed earlier the Company is in the process of raising equity resources to the tune of USD 46.5 million (being 30% of the enterprise value of ZFL) for which confirmatory due diligence is in progress and definitive agreements are yet to be executed.

As per Business Transfer Agreement, pending certain regulatory licenses, the Company had agreed to provide support services to ZFL at Nil consideration for the intermediate period (initially agreed for three months which has now been extended upto 31, March 2021).

13. Board of Directors in their meeting held on June 19, 2020 had given in-principle approval for Sale of its Fertilizer plant at Goa to Paradeep Phosphates Ltd (PPL), at a preliminary valuation of USD 280 million subject to due diligence by PPL. PPL has completed its due diligence and confirmed to the valuation of USD 280 million. The Board of Directors of PPL, at its meeting held on February 11, 2021, has accorded its approval for entering into business transfer agreement with the Company relating to fertilizer plant of the Company at Goa, subject to requisite approvals. Upon closing of the transaction, this would result in bringing in long term funds to the Company .

Definitive agreements will be signed after requisite approvals are obtained by both the Parties to enter into definitive agreements.

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



Pending requisite approvals as defined above, the Company has not considered any impact of proposed sale of its Fertilizer plant at Goa in the unaudited financial results.

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. Due to loan repayment defaults during the previous year, the remuneration of INR 0.81 crores 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. During the previous quarter, the Company has initiated process for obtaining approvals from the banks / financial institutions and obtained the approval from a few of the lenders.
16. During the quarter ended December 31, 2019 and year to date from April 1, 2019 to December 31, 2019, on account of delay in clearance of raw material from the Port and on account of agreement with GAIL, the Company had incurred expenses pertaining to Demurrages and Ship to Pay of INR 29.70 crores and INR 80.82 crores respectively, which had been clubbed under cost of raw material and components consumed disclosed in Statement of Unaudited Financial results.
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 Group is in process of assessing the impact of the Code and will recognize the impact, if any, based on its effective date.
18. 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.
19. 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



Nitin M Katak
Executive Director
DIN: 08029847



Date: February 12, 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 December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 (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 5 of the accompanying unaudited standalone financial results, which states that in addition to net current liability position as at December 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 5 also describes the mitigating factors considered by the management in its assessment, in view of which the accompanying unaudited standalone financial results have been prepared under the going concern assumption.

Our conclusion is not modified in respect of this matter.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

6. Emphasis of Matters

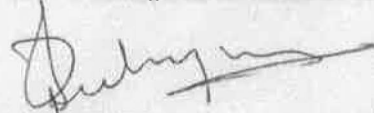
- a. We draw attention to Note 11 of the accompanying unaudited standalone financial results, which describes the uncertainties and the impact of COVID-19 pandemic on the Company's operations and results as assessed by the management.
- b. We draw attention to Note 10 of the accompanying unaudited standalone 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 unaudited standalone financial results.
- c. We draw attention to Note 4 of the accompanying unaudited standalone financial results, regarding Goods and Services Tax ("GST") credit on input services recognized by the Company 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 above matters.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Pravin Tulsyan

Partner

Membership No.: 108044



UDIN: 21108044AAAAB115411

Place: Gurugram

Date: February 12, 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"), its joint venture for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 (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 Fertilizers Limited (MCFIL)
3	Adventz Trading DMCC
4	Zuari Farmhub Limited
Joint Venture	
5	Zuari Maroc Phosphates Private Limited Paradeep Phosphates Limited (subsidiary of Zuari Maroc Phosphates Private Limited) 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



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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 5 of the accompanying Unaudited Consolidated Financial Results, which states that in addition to net current liability position as at December 31, 2020, there are other factors indicating material uncertainty over timely discharge of its liabilities and its consequential impact on Holding Company's ability to continue as a going concern. Note 5 also describes the mitigating factors considered by the management in its assessment, in view of which the Unaudited Financial Results of the Holding Company 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 11 of the accompanying Unaudited Consolidated Financial Results, which describes the uncertainties and the impact of COVID-19 pandemic on operations and results as assessed by the management.
- b. We draw attention to Note 10 of the accompanying Unaudited 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 Unaudited Consolidated Financial Results.
- c. We draw attention to Note 4 of the accompanying Unaudited Consolidated Financial Results, regarding Goods and Services Tax ('GST') credit on input services recognized by the Holding Company and a subsidiary based on the legal opinion obtained by the Holding Company and a subsidiary. The Holding Company has also filed a writ petition in the High Court of Bombay at Goa.
- d. We draw attention to Note 8, which states that in case of a Subsidiary Company (MCFL), MCFL has recognized urea subsidy income of INR 26.94 crores based on higher energy norms which was effective till the period ended March 31, 2020 and INR 30.48 crores without benchmarking its cost of production of urea with that of gas price of fertilizer companies recently converted to natural gas. In addition to several representations made to the Department of Fertilizers (DoF) with regard to these matters, MCFL has also filed a writ petition against the DoF which is pending before the Hon'ble High court of Delhi. Based on legal opinion obtained on both matters, the management believes that the criteria for recognition of subsidy revenue is met.

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

- B. 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 61.54 crores and INR 227.34 crores, total net loss after tax of INR 4.27 crores and INR 10.48 crores, total comprehensive loss of INR 4.24 crores and INR 10.41 crores, for the quarter ended December 31, 2020 and the period ended on that date respectively, as considered in the Statement which have been reviewed by their respective independent auditors.



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Joint Venture, whose unaudited interim financial results include Group's share of net profit of INR 23.04 crores and INR 86.77 crores and Group's share of total comprehensive income of INR 22.87 crores and INR 86.90 crores for the quarter ended December 31, 2020 and for the period from April 1, 2020 to December 31, 2020 respectively, as considered in the Statement whose interim financial results, other financial information have been reviewed by its respective independent auditor.

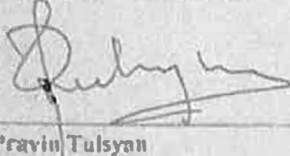
The independent auditor's reports on interim financial results and financial information of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and joint venture is based 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 audited 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: 21108044AAAAB18425

Place: Gurugram

Date: February 12, 2021