



February 2, 2022

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. 2nd February, 2022, inter alia, has considered and approved the Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended 31st December, 2021 as recommended by the Audit Committee at its meeting held today i.e. 2nd February, 2022.

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

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ZUARI AGRO CHEMICALS LIMITED

Regd. Office: Jai Kisan Bhawan, Zaarinaragar, Goa -403 726, CIN -L65910GA2009PLC006177

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(INR in Crore)

S.No	Particulars	STANDALONE						CONSOLIDATED					
		3 months ended 31/12/2021	3 months ended 30/09/2021	3 months ended 31/12/2020	9 months ended 31/12/2021	9 months ended 31/12/2020	Year ended 31/03/2021	3 months ended 31/12/2021	3 months ended 30/09/2021	3 months ended 31/12/2020	9 months ended 31/12/2021	9 months ended 31/12/2020	Year ended 31/03/2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Continuing operations												
	Revenue												
	(a) Revenue from operations	25.30	31.95	-	57.25	0.11	0.11	950.46	934.51	381.44	2,697.19	1,744.57	2,403.74
	(b) Other income	17.14	7.84	9.15	26.75	23.91	49.54	17.67	4.66	13.47	27.16	35.41	62.45
	Total income	42.44	39.79	9.15	84.00	24.02	49.65	968.13	939.17	394.91	2,724.35	1,779.98	2,466.19
2	Expenses												
	(a) Cost of raw material and components consumed	10.54	2.91	-	13.45	-	-	451.97	494.46	195.85	1,314.50	811.31	1,110.17
	(b) Purchases of traded goods	11.46	28.10	-	39.56	-	-	115.46	136.03	118.25	462.06	365.12	412.31
	(c) Changes in inventories of finished goods, traded goods and work-in-progress	(1.67)	(1.07)	-	(2.74)	0.10	0.10	51.79	(12.29)	(65.12)	3.64	(18.41)	24.68
	(d) Employee benefits expense	0.49	0.68	0.96	1.97	3.51	4.38	25.53	26.82	30.68	77.94	80.14	98.09
	(e) Depreciation and amortisation expense	0.88	0.90	0.89	2.65	2.79	3.67	17.88	16.16	16.18	51.04	47.41	67.96
	(f) Finance costs	28.36	31.44	33.31	90.23	101.42	118.35	40.40	44.20	52.16	127.34	170.46	200.45
	(g) Other expenses	6.54	3.48	1.46	11.55	17.67	24.64	231.71	209.78	74.05	627.87	348.07	552.73
	Total expense	56.60	66.44	36.62	156.67	125.49	151.14	934.74	915.16	422.05	2,664.39	1,804.10	2,466.39
3	Profit / (loss) before share of profit of joint venture and tax from continuing operations (1-2)	(14.16)	(26.65)	(27.47)	(72.67)	(101.47)	(101.49)	33.39	24.01	(27.14)	59.96	(24.12)	(0.20)
4	Share of profit of joint venture	-	-	-	-	-	-	52.89	78.95	23.24	145.89	86.61	86.74
5	Profit / (loss) before tax from continuing operations (3+4)	(14.16)	(26.65)	(27.47)	(72.67)	(101.47)	(101.49)	86.28	102.96	(3.90)	205.85	62.49	86.54
6	Tax expense / (credit)												
	(a) Current tax	-	-	-	-	-	-	8.17	8.12	0.07	23.07	14.46	19.55
	(b) Deferred tax charge / (credit)	-	-	-	-	-	-	7.96	8.45	0.19	23.05	14.76	18.91
	Income tax expense / (credit)	-	-	-	-	-	-	16.13	16.57	0.26	46.12	29.22	38.46
7	Profit / (loss) for the period / year from continuing operations (5-6)	(14.16)	(26.65)	(27.47)	(72.67)	(101.47)	(101.49)	70.15	86.39	(4.16)	159.73	33.27	48.08
8	Profit / (loss) for the period / year from discontinued operations (Refer Note 5 below)	(27.94)	19.63	(31.67)	(4.52)	(133.36)	(135.63)	(26.22)	22.86	(41.83)	3.82	(157.49)	(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)	(27.94)	19.63	(31.67)	(4.52)	(133.36)	(135.63)	(26.22)	22.86	(41.83)	3.82	(157.49)	(174.31)
11	Profit / (loss) for the period / year (7 + 10) (a)	(42.10)	(7.02)	(59.14)	(77.19)	(234.83)	(237.12)	43.93	109.25	(45.99)	163.55	(124.22)	(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	0.06	(0.01)	0.02	0.06	0.06	0.53	0.04	(0.57)	0.10	(0.59)	0.23	1.31
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	0.01	0.20	(0.03)	0.23	(0.06)	(0.27)
	Net (loss)/gain on FVTOCI financial instruments	2.54	(4.91)	3.19	17.49	6.91	10.93	2.54	(4.91)	3.20	17.49	6.91	10.93
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
	Share of OCI of joint ventures	-	-	-	-	-	-	(0.09)	(0.50)	(0.17)	(0.60)	0.13	0.28
	B Items that will be reclassified to profit or loss												
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	(0.01)	(0.01)	0.03	(0.01)	0.07	0.07
	Total Other Comprehensive Income (b)	2.60	(4.92)	3.21	17.55	6.97	11.46	2.49	(5.89)	3.13	16.52	7.28	12.32
13	Total Comprehensive Income / (loss) for the period / year (a+b)	(39.50)	(11.94)	(55.93)	(59.64)	(227.86)	(225.66)	46.42	103.36	(42.86)	180.07	(116.94)	(113.91)
14	Profit attributable to:												
	Owners of the equity							29.65	95.92	(46.36)	124.76	(148.30)	(157.08)
	Non-controlling interest							14.28	13.33	0.37	38.79	24.08	30.85
	Other comprehensive income attributable to:												
	Owners of the equity							2.50	(5.72)	3.11	16.71	7.23	12.09
	Non-controlling interest							(0.01)	(0.17)	0.02	(0.19)	0.05	0.23
	Total comprehensive income attributable to:												
	Owners of the equity							32.15	90.20	(43.25)	141.47	(141.07)	(144.99)
	Non-controlling interest							14.27	13.16	0.39	38.60	24.13	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	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)	(3.37)	(6.34)	(6.53)	(17.28)	(24.13)	(24.13)	13.28	17.37	(1.07)	28.75	2.19	4.10
	(b) Basic and diluted EPS from discontinued operations (INR)	(6.64)	4.67	(7.53)	(1.07)	(31.71)	(32.25)	(6.23)	5.44	(9.95)	0.91	(37.45)	(41.45)
	(c) Basic and diluted EPS from continuing and discontinued operations (INR)	(10.01)	(1.67)	(14.06)	(18.35)	(55.84)	(56.38)	7.05	22.81	(11.02)	29.66	(35.26)	(37.35)



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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 December 31, 2021 and year to date from April 1, 2021 to December 31, 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 February 02, 2022. 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 buildup 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 1,982.19 crores as at December 31, 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 the Company’s cash flows, debt position, and led to the 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 over dues with Banks / Financial Institutions and have reduced its borrowings and all debt accounts are standard with the lenders. All these helped the Company in 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 from July 2020 onwards.

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



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. During the current quarter, PPL continues to provide necessary financial assistance to run the operations of the Company. Further, 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 realize 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 a 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 further extended to June 30, 2022; 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 31/12/2021	3 months ended 30/09/2021	3 months ended 31/12/2020	9 months ended 31/12/2021	9 months ended 31/12/2020	Year ended 31/03/2021
Total Income	522.39	710.05	569.04	1,808.48	1,430.07	2,245.49
Total expense	550.33	690.42	600.71	1,813.00	1,563.43	2,381.12
Profit/(loss) for discontinued operations before tax the year	(27.94)	19.63	(31.67)	(4.52)	(133.36)	(135.63)
Tax charge including deferred tax pertaining to discontinued operations	-	-	-	-	-	-
Profit/(loss) for discontinued operations	(27.94)	19.63	(31.67)	(4.52)	(133.36)	(135.63)



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Consolidated

(INR in crores)

Particulars	3 months ended 31/12/2021	3 months ended 30/09/2021	3 months ended 31/12/2020	9 months ended 31/12/2021	9 months ended 31/12/2020	Year ended 31/03/2021
Total Income	521.11	710.05	555.20	1,807.20	1,397.37	2,194.97
Total expense	547.33	687.19	597.03	1,803.38	1,554.86	2,369.28
Profit/(loss) for discontinued operations before tax the year	(26.22)	22.86	(41.83)	3.82	(157.49)	(174.31)
Tax charge including deferred tax pertaining to discontinued operations	-	-	-	-	-	-
Profit/(loss) for discontinued operations	(26.22)	22.86	(41.83)	3.82	(157.49)	(174.31)

During the previous quarter, 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. In response to DRHP filed by PPL, SEBI has issued its final observations and thus PPL is expected to close the IPO process by March 31, 2022.

(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 and addendum thereof with ZFL, the consideration for slump sale of the farmhub business to ZFL was settled by issuance of Compulsory Convertible Debentures (CCDs) of ZFL for INR 435.56 crores during the financial year 2019-20 and balance of INR 350.00 crores in the current financial year.

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 is at an advanced stage and a definitive agreement is expected to be executed in the coming quarters.

6. The Company had 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 Regulations / statute. Further, subsequent to the



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year end March 31, 2021, the same group of shareholders have filed a petition in National Company Law Tribunal (NCLT), Mumbai for cancellation of these BTAs for which the Company based on the legal opinion obtained believes that the petition, would not be tenable and does not have any impact on the BTAs. The petition is pending before NCLT, Mumbai.

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 December 31, 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 a 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. The Company has filled rejoinder and matter is now listed on March 28, 2022. Based on the legal assessment done by the Company, it is hopeful to realize the aforesaid amount, and hence, no provision has been made in the accounts.

9. Vide notification number 26/ 2018 dated 13 June 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 01 July 2017 to include ITC availed only on inputs which excludes input services. The management has contested this amendment by filing a writ petition in the Hon'ble High Court of Bombay at Goa. Based on a tax opinion, irrespective of outcome of writ petition, input tax credit on services would be available for utilization in foreseeable future. The management is confident of utilization of balance input tax credit, as at December 31, 2021 the Company has carried forward an amount of INR 98.16 crores (March 31,2021 INR 97.98 crores) as amount GST Input credit utilizable towards this matter.
10. 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.



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11. 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 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.
12. 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.
13. During the quarter ended December 31, 2021, NPK A plant was shut down for 83 days and NPK B plant was shut down for 86 days due to non-availability of raw material. Subsequent to the quarter, NPK B Plant has resumed its operation on January 07, 2022 and NPK A Plant continues to be under shut down due to non-availability of raw material.
14. During the year ended March 31, 2020 due to devolvement of loans, 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.
15. During the quarter ended December 31, 2021, the Company has received INR 13.71 crores towards full and final settlement as per agreement dated June 17, 2019 between the Company and McDowell Holdings Limited (MHL), which has been recognized as other income.
16. 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.
17. In respect of a subsidiary company 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.
18. 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 Kantak
Executive Director
DIN: 08029847



Date: February 02, 2022
Place: Zuarinagar, Goa



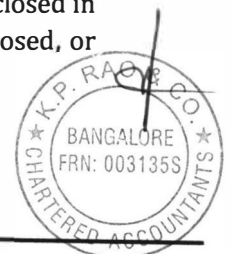
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Independent Auditor's Review Report on the Quarterly & Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, as amended

**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, 2021 and year to date from April 1, 2021 to December 31, 2021 (The "Statement") attached here with, 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")
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 principle 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 there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.



Branches

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Mysore : 74, 2nd Main, First Stage, Vijayanagar, Mysore - 570 017. Ph.: 0821-2517971

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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 December 31, 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.

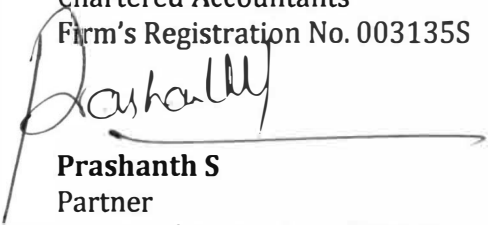
Our conclusion is not modified in respect of this matter.

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.
- 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 **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S


Prashanth S
Partner
Membership Number: 228407



UDIN : 22228407AAAABC6862

Place: Bengaluru
Date: February 02, 2022

K. P. RAO
K. VISWANATH
DESMOND J. REBELLO
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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, 2021 and year to date from April 01, 2021 to December 31, 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/CMD I /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.



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

1	Zuari Agro Chemicals Limited
Subsidiaries	
2	Mangalore Chemicals and Fertilizers Limited (MCFL)
3	Adventz Trading DMCC
4	Zuari Farmhub Limited
Joint Venture	
5	Zuari Maroc Phosphates Private Limited
6	Paradeep Phosphates Limited (subsidiary of Zuari Maroc Phosphates Private Limited)
Associates of Joint Venture	
7	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 December 31, 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.

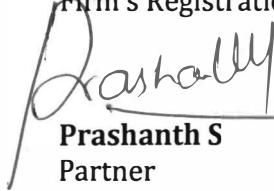
c. We draw attention to Note 9 of the accompanying consolidated financial results, regarding Goods and Services Tax ('GST') credit on input services recognized by the Holding Company, which the management has assessed to recover based on the legal opinion obtained by the Holding Company.

The Holding Company has also filed a writ petition in the High Court of Bombay at Goa.

d. We draw attention to Note 11, 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 are met.

Our conclusion is not modified in respect of this matter.

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S



Prashanth S
Partner
Membership Number: 228407



UDIN : 22228407AAAABD5681

Place: Bengaluru
Date: February 02, 2022