

September 9, 2016

BSE Limited
Floor 25, P.J. Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051

Dear Sirs,

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

The Board at its meeting held on 9th September, 2016, has considered and approved the following :

The Unaudited Financial Results for the quarter ending 30th June, 2016. A copy of the approved results alongwith the Limited Review Report is enclosed herewith.

This information is provided in compliance with Regulation 30 of SEBI (LODR) Regulations, 2015.

Thanking you,

Yours faithfully,
For ZUARI AGRO CHEMICALS LIMITED



R.Y. Patil
Vice President & Company Secretary

Encl : As Above

ZUARI AGRO CHEMICALS LIMITED

CIN No.: L65910GA2009PLC006177

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Registered Office: Jaikisaan Bhawan, Zuarinagar, Goa - 403726



ZUARI AGRO CHEMICALS LIMITED

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2016

(Rs. In Crores)

	Particulars	Quarter ended 30.06.2016	Quarter ended 30.06.2015
1	Income from Operations		
	(a) Net Sales/Income from Operations (Net of Excise)	976.42	1554.06
	(b) Other Operating Income	1.83	1.65
	Total Income from Operations (net)	978.25	1555.71
2	Expenses		
	(a) Cost of Materials Consumed	459.10	750.85
	(b) Purchase of Stock-in-trade	532.50	628.10
	(c) Changes in inventories of finished goods, work-in progress and stock-in-trade	(239.47)	(142.20)
	(d) Employee benefit expense	20.77	21.77
	(e) Depreciation and amortization expense	8.60	6.79
	(f) Power, Fuel & Water	47.03	101.17
	(g) Other expenses	109.94	140.45
	Total expenses	938.47	1506.93
3	Profit from Operations before other income, finance costs and exceptional items (1-2)	39.78	48.78
4	Other Income	31.84	21.38
5	Profit from Operations before finance costs and exceptional items (3+4)	71.62	70.16
6	Finance costs	89.12	67.19
7	Profit / (Loss) from Operations after finance costs and before exceptional items (5+-6)	(17.50)	2.97
8	Exceptional item (expense)/ income (Refer Note 8 below)	(43.87)	-
9	Profit / (Loss) from Ordinary activities before tax (7+-8)	(61.37)	2.97
10	Tax expense (expense)/ credit	21.32	(1.09)
11	Profit / (Loss) from ordinary activities after tax(9+-10)	(40.05)	1.88
12	Extraordinary items (net of tax expense) Other Comprehensive income / (expense) (net of tax)	(0.50)	(0.69)
13	Net Profit / (Loss) for the period (11+-12)	(40.55)	1.19
14	Paid-up Equity Share Capital (Face value Rs.10 per Share)	42.06	42.06
15	Earnings per share (of Rs. 10/- each) (not annualized):		
	(a) Basic (in Rs)	(9.52)	0.45
	(b) Diluted (in Rs)	(9.52)	0.45



Notes:

1. The results have been prepared in accordance with the Indian Accounting Standards ("Ind AS) prescribed under Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India. Beginning April 01, 2016 the Company has for the first time adopted Ind AS with transition date of April 01, 2015.
2. The results for the quarter ended June 30, 2016 have been prepared on the basis of notified concession prices for urea under New Urea Policy 2015, which is further adjusted for input price escalation/de-escalation, as estimated on the basis of prescribed norms.

The subsidy on Phosphatic and Potassic fertilizers has been accounted for as per concession price notified by the Government of India with effect from April 1, 2016.

3. Under the provision of Ind AS 108, the Company operates in a single segment of fertilizer operations and therefore separate segment disclosures have not been given.
4. Reconciliation between financial results previously reported under Indian GAAP and Ind AS for the said quarter is as under:

(Rs.in Crores)

Particulars	Quarter ended June 30, 2015
Net Profit under previous Indian GAAP (after tax)	2.04
Add / (Less)	
Re-measurement of Defined Benefit Plans recognized in Other Comprehensive Income (OCI)	1.05
Additional depreciation on account of Componentisation	(1.87)
Effect of spares capitalised as Property, plant and equipment	(0.36)
Mark to Market gain /(loss) on hedged foreign exchange exposure	0.70
Others	0.23
Tax Impact	0.09
Net Profit for the period as per Ind AS (After tax) (A)	1.88
Other Comprehensive Income	
Re-measurement of Defined Benefit Plans recognized in Other Comprehensive Income (OCI)	(1.05)
Tax Impact	0.36
Other comprehensive income (After tax) (B)	(0.69)
Total Comprehensive income for the period under Ind AS (A+B)	1.19

5. Tax expense/ credit is net/ inclusive of deferred tax effects, MAT Credit entitlement and tax adjustment for earlier years.
6. In respect of import of DAP in a previous year which did not meet the standards specified by Fertilizer Control Order, 1985, (FCO) based on its estimate, the Company accounted for claim of Rs. 27.13 crores (pending confirmation from the supplier) for loss suffered by it as the contract with the supplier



provides that the Company has the right to claim entire amount as compensation from the supplier in the event it is found the goods are not conforming to FCO norms by laboratory authorized by Government of India, the Company has considered the aforesaid amount as fully recoverable.

7. There is a possibility that these quarterly financial results along with the provisional financial statements as of and for the year ended March 31, 2016 may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2017 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS as permitted under Ind AS 101.
8. Due to significant reduction in the selling price of complex fertilizers and Potash during current quarter and subsequent to quarter end , the Company is expecting price reduction claim of Rs. 47.33 crores on account of stock lying with distribution chain. Price reduction claims pertaining to sale prior to current quarter estimating to Rs. 43.86 crores have been included under exceptional item.
9. During the previous year, the Board of Directors of the Company has approved the merger of its 100% subsidiaries Zuari Agri Sciences Ltd, Zuari Fertilisers and Chemicals Ltd and Zuari Speciality Fertilisers Ltd (formerly known as Zuari Rotem Speciality Fertilizers Ltd) with the Company effective date being 01.04.2015, which is pending for necessary approvals from various authorities.
10. The auditors have conducted limited review of the financial results for the quarter ended June 30, 2016. The Ind AS compliant corresponding figures for the quarter ended June 30, 2015 have not been subject to limited review or audit. However, the management of the Company has exercised necessary due diligence to ensure that such financial results provide true and fair view of its affairs. The un-audited financial results have been recommended by the Audit Committee at its meeting held on September 8, 2016 and approved by the Board of Directors at its meeting held on September 9, 2016.
11. Previous period's figures have been regrouped wherever necessary.

For and on behalf of the Board of Directors



**Kapil Mehan
Managing Director**

Date : September 9, 2016
Place: Gurgaon



**Review Report to
The Board of Directors
Zuari Agro Chemicals Limited**

We have reviewed the accompanying statement of unaudited financial results of Zuari Agro Chemicals Limited ('the Company') for the quarter ended June 30, 2016 (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, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement is the responsibility of the Company's management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We report that the Company is carrying receivable of Rs. 27.13 crores on account of claim raised on a product supplier for loss suffered on purchase of material which did not meet the specified standards. The said claim is subject to confirmation from the supplier. In the absence of independent confirmation from the supplier and other related information, we are unable to comment on the appropriateness of the accounting the claim including consequential effects, if any, that may arise in this regard in these accompanying financial results.

Based on our review conducted as above, except for the possible effects of our observations stated above, 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 applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. Batliboi & Co. LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants



per Anil Gupta
Partner
Membership No.: 87921

Place: New Delhi
Date: September 9, 2016

