



November 10, 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. 10<sup>th</sup> November, 2021, inter alia, has considered and approved the Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2021 as recommended by the Audit Committee at its meeting held today i.e 10<sup>th</sup> November, 2021.

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.

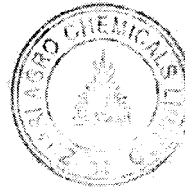
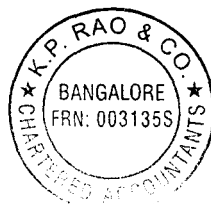
Tel: +0832 2592180, 2592181, 6752399

www.zuari.in

**ZIARI AGRO CHEMICALS LIMITED**  
 Regd. Office: Jai Kisan Bhawan, Zaarbhagar, Goa - 403 726, CIN - L62911NG-A2009PLC006177  
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021**

(IN IN Crores)

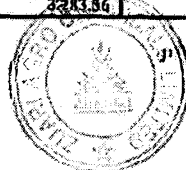
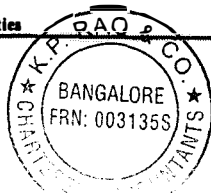
S. No	Particulars	STANDBALONE						CONSOLIDATED					
		3 months ended 30/09/2021		3 months ended 30/09/2021		6 months ended 30/09/2021		3 months ended 30/09/2021		6 months ended 30/09/2021		6 months ended 31/03/2021	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Continuing operations												
	Revenue												
	(a) Revenue from operations	31.95	-	-	31.95	0.11	0.11	934.51	812.22	774.93	1,746.73	1,363.12	2,403.74
	(b) Other income	7.84	1.77	5.74	9.61	14.77	49.54	4.66	4.83	10.29	9.49	21.93	62.45
	Total income	39.79	1.77	5.74	41.56	14.88	49.65	939.17	817.05	785.22	1,756.22	1,385.05	2,466.19
2	Expenses												
	(a) Cost of raw material and components consumed	2.91	-	-	2.91	-	-	494.46	368.07	327.89	862.53	615.45	1,110.17
	(b) Purchases of traded goods	28.10	-	-	28.10	-	-	136.03	210.57	160.31	346.60	246.87	412.31
	(c) Changes in inventories of finished goods, traded goods and work-in-progress	(1.07)	-	-	(1.07)	0.10	0.10	(12.29)	(35.86)	19.10	(48.15)	46.70	24.68
	(d) Employee benefits expense	0.68	0.80	1.15	1.48	2.56	4.38	26.82	25.59	24.99	52.41	49.46	98.09
	(e) Depreciation and amortisation expense	0.90	0.87	0.92	1.77	1.90	3.67	16.16	17.00	15.45	33.16	31.22	67.96
	(f) Finance costs	31.44	30.43	33.13	61.87	68.11	118.35	44.20	42.74	56.05	86.94	118.29	200.45
	(g) Other expenses	3.48	1.53	0.83	5.01	16.21	24.64	209.78	186.38	146.26	396.16	274.03	552.73
	Total expense	66.44	33.63	36.83	100.07	88.88	151.14	915.16	814.49	750.05	1,729.65	1,382.02	2,466.39
3	Profit / (loss) before exceptional items and tax from continuing operations (1-2)	(26.65)	(31.86)	(30.29)	(58.51)	(74.00)	(101.49)	24.01	2.56	35.17	26.57	3.03	(0.20)
4	Share of profit of joint venture	-	-	-	-	-	-	78.95	14.05	43.80	93.00	63.37	86.74
5	Profit / (loss) before tax from continuing operations (3+4)	(26.65)	(31.86)	(30.29)	(58.51)	(74.00)	(101.49)	102.96	16.61	78.97	119.57	66.40	86.54
6	Tax expense / (credit)												
	(a) Current tax	-	-	-	-	-	-	8.12	6.78	11.25	14.90	14.39	19.55
	(b) Deferred tax charge / (credit)	-	-	-	-	-	-	8.45	6.64	11.06	15.09	14.57	18.91
	Income tax expense / (credit)	-	-	-	-	-	-	16.57	13.42	22.31	29.99	28.96	38.46
7	Profit / (loss) for the period / year from continuing operations (5-6)	(26.65)	(31.86)	(30.29)	(58.51)	(74.00)	(101.49)	86.39	3.19	56.66	89.58	37.44	48.08
8	Profit / (loss) for the period / year from discontinued operations (Refer Note 5 below)	19.63	3.79	(34.96)	23.42	(101.69)	(135.63)	22.86	7.18	(40.37)	30.04	(115.66)	(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)	19.63	3.79	(34.96)	23.42	(101.69)	(135.63)	22.86	7.18	(40.37)	30.04	(115.66)	(174.31)
11	Profit / (loss) for the period / year (7 + 10) (a)	(7.02)	(28.07)	(65.25)	(35.09)	(175.69)	(237.12)	109.25	10.37	16.29	119.62	(78.22)	(126.23)
12	Other Comprehensive Income / (Loss)												
	A Items that will not be reclassified to profit or loss												
	Re-measurement gains / (losses) on defined benefit plans	(0.01)	0.01	0.04	-	0.03	0.53	(0.57)	(0.06)	0.12	(0.63)	0.13	1.31
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	0.20	0.02	(0.07)	0.22	(0.03)	(0.27)
	Net (loss)/gain on FVOCI financial instruments	(4.91)	19.86	(5.16)	14.95	3.71	10.93	(4.91)	19.86	(5.16)	14.95	3.71	10.93
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
	Share of OCI of joint ventures	-	-	-	-	-	-	(0.60)	0.09	0.33	(0.51)	0.30	0.28
	B Items that will be reclassified to profit or loss												
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	(0.01)	0.01	0.09	-	0.04	0.07
	Total Other Comprehensive Income (b)	(4.92)	19.87	(5.12)	14.95	3.74	11.46	(5.89)	19.92	(4.69)	14.83	4.15	12.32
13	Total Comprehensive Income / (Loss) for the period / year (a+b)	(11.94)	(8.20)	(70.37)	(20.14)	(171.95)	(225.66)	103.36	30.29	11.60	133.65	(74.07)	(113.91)
14	Profit attributable to:												
	Owners of the equity							95.92	(0.81)	(2.36)	95.11	(101.93)	(157.88)
	Non-controlling interest							13.33	11.18	18.65	24.51	23.71	30.85
	Other comprehensive income attributable to:												
	Owners of the equity							(5.72)	19.94	(4.75)	14.22	4.12	12.09
	Non-controlling interest							(0.17)	(0.02)	0.86	(0.19)	0.03	0.23
	Total comprehensive income attributable to:												
	Owners of the equity							90.20	19.13	(7.11)	109.33	(97.81)	(144.99)
	Non-controlling interest							13.16	11.16	18.71	24.32	23.74	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 audited):												
	(a) Basic and diluted EPS from continuing operations (INR)	(6.34)	(7.57)	(7.20)	(13.91)	(17.59)	(24.13)	17.37	(1.90)	9.04	15.47	3.26	4.10
	(b) Basic and diluted EPS from discontinued operations (INR)	4.67	0.90	(8.31)	5.57	(24.18)	(32.25)	5.44	1.71	(9.60)	7.14	(27.50)	(41.45)
	(c) Basic and diluted EPS from continuing and discontinued operations (INR)	(1.67)	(6.67)	(15.51)	(8.34)	(41.77)	(56.38)	22.81	(0.19)	(0.56)	22.61	(24.24)	(37.35)



**ZUARI AGRO CHEMICALS LIMITED**  
 Regd. Office: Jai Kisaan Bhawan, Zuarinagar, Goa -403 726, CIN -L65910GA2009PLC006177  
**STATEMENT OF ASSETS AND LIABILITIES**

(INR in Crores)

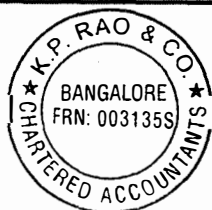
	Standalone		Consolidated	
	As at September 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)	As at September 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)
<b>Assets</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	74.64	76.46	1,210.08	1,232.43
(b) Right of use assets	-	-	71.71	80.83
(c) Capital work-in-progress	-	-	108.06	78.26
(d) Investment property	3.62	3.62	3.62	3.62
(e) Intangible assets	-	-	112.70	114.46
(f) Intangible assets under development	-	-	0.03	-
(g) Investments in a joint venture	-	-	1,016.89	924.39
(h) Financial assets				
(i) Investments	1,544.32	1,183.82	37.73	27.22
(ii) Loans	1.95	1.92	0.02	0.02
(iii) Others	0.51	0.78	9.58	9.70
(i) Deferred tax assets (net)	67.41	67.41	67.41	67.41
(j) Other non-current assets	6.09	6.09	145.29	123.17
(k) Income tax assets (net)	14.09	11.16	14.09	11.16
	<b>1,712.63</b>	<b>1,351.26</b>	<b>2,797.21</b>	<b>2,672.67</b>
<b>Current assets</b>				
(a) Inventories	16.97	2.57	319.42	221.56
(b) Financial assets				
(i) Investments	-	-	0.10	0.01
(ii) Trade receivables	26.92	0.01	718.43	453.93
(iii) Cash and cash equivalents	4.77	56.26	160.24	427.32
(iv) Bank balances other than (iii) above	98.64	131.71	274.55	181.61
(v) Loans	1.00	0.87	0.05	0.01
(vi) Others	8.07	351.14	12.12	22.00
(c) Other current assets	22.71	23.09	100.21	100.09
	<b>179.08</b>	<b>565.65</b>	<b>1,585.12</b>	<b>1,406.53</b>
Assets held for sale	1,391.65	1,311.77	1,376.62	1,292.66
	<b>1,570.73</b>	<b>1,877.42</b>	<b>2,961.74</b>	<b>2,699.19</b>
<b>Total assets</b>	<b>3,283.36</b>	<b>3,228.68</b>	<b>5,758.95</b>	<b>5,371.86</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
(a) Equity share capital	42.06	42.06	42.06	42.06
(b) Other equity	(170.83)	(150.69)	263.48	154.14
Equity attributable to equity holders of the parent company			305.54	196.20
(c) Non-controlling interests			466.90	442.58
<b>Total equity</b>	<b>(128.77)</b>	<b>(108.63)</b>	<b>772.44</b>	<b>638.78</b>
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	393.50	393.50	526.00	521.23
(ia) Lease liabilities	-	-	63.93	73.22
(ii) Others	-	-	0.45	1.01
(b) Provisions	0.56	0.57	18.01	17.64
(c) Deferred tax liabilities (net)	-	-	42.74	27.88
(d) Other non-current liabilities	-	-	0.43	0.51
	<b>394.06</b>	<b>394.07</b>	<b>651.56</b>	<b>641.49</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	1,239.04	515.57	1,985.21	1,251.17
(ia) Lease liabilities	-	-	5.29	5.33
(ii) Trade payables				
a) total outstanding dues of micro enterprises and small enterprises	-	-	59.34	12.68
b) total outstanding dues of creditors other than micro enterprises and small enterprises	74.32	35.93	567.30	395.67
(iii) Others	33.81	32.46	138.66	140.14
(b) Other current liabilities	8.06	8.40	32.71	24.23
(c) Liabilities for current tax (net)	-	-	5.26	1.95
(d) Provisions	1.04	0.96	13.40	11.30
	<b>1,356.27</b>	<b>593.32</b>	<b>2,807.17</b>	<b>1,842.47</b>
Liabilities directly associated with the assets held for sale	1,661.80	2,349.92	1,527.78	2,249.12
<b>Total liabilities</b>	<b>3,412.13</b>	<b>3,337.31</b>	<b>4,986.51</b>	<b>4,733.08</b>
<b>Total equity and liabilities</b>	<b>3,283.36</b>	<b>3,228.68</b>	<b>5,758.95</b>	<b>5,371.86</b>



**ZUARI AGRO CHEMICALS LIMITED**  
 Regd. Office: Jai Kisan Bhawan, Zuaringar, Goa -403 726, CIN -L65910GA2009PLC006177  
**STATEMENT OF UNAUDITED CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021**

(INR in Crores)

	Standalone		Consolidated	
	For the period ended 30 September 2021	For the period ended 30 September 2020	For the period ended 30 September 2021	For the period ended 30 September 2020
	Unaudited	Unaudited	Unaudited	Unaudited
<b>A Cash flow from operating activities:</b>				
Profit/(Loss) before tax from continuing operations	(58.51)	(74.00)	119.57	66.40
Profit/(Loss) before tax from discontinued operations	23.42	(101.69)	30.04	(115.66)
Share of (profit) of a joint venture partner	-	-	(93.00)	(63.37)
<b>Adjustments to reconcile loss before tax to net cash flows:</b>				
Depreciation of property, plant and equipment	1.77	23.04	31.40	50.64
Amortisation of intangible assets	-	0.50	1.76	2.22
Loss / (profit) on disposal of property, plant and equipment (net)	(0.01)	0.28	1.47	1.03
Excess provision / unclaimed liabilities / unclaimed balances written back	(4.96)	-	(5.34)	-
Bad debts, claims and advances written off	-	0.08	0.80	0.08
Provision for doubtful debts, claims and advances	3.67	2.21	4.99	2.21
Subsidy claims written off	-	1.91	-	1.91
Incentive under packing scheme incentive	-	-	(0.09)	(0.09)
Deferred Income	(0.15)	(0.15)	(0.15)	(0.15)
Unrealized foreign exchange fluctuation loss	6.17	11.57	11.09	(2.70)
Interest expense	119.00	175.73	130.38	205.47
Interest income	(1.76)	(8.26)	(6.57)	(11.49)
Dividend income	(6.40)	(3.24)	-	(0.04)
<b>Operating profit/ (loss) before working capital adjustments</b>	<b>82.24</b>	<b>27.98</b>	<b>226.35</b>	<b>136.46</b>
<b>Working capital adjustments :</b>				
Increase/(Decrease) in provisions	1.19	(0.68)	2.85	(0.34)
Increase/(Decrease) in trade payables and other liabilities	100.94	175.17	303.90	111.10
Increase/(Decrease) in trade receivables	(194.84)	(5.50)	(433.74)	350.42
Decrease / (increase) in inventories	62.22	63.70	(22.88)	142.12
Decrease / (increase) in other assets and financial assets	9.01	(22.61)	31.57	(0.57)
Decrease / (increase) in loans and advances	0.12	0.35	11.66	0.60
	<b>(21.36)</b>	<b>210.43</b>	<b>(106.44)</b>	<b>603.33</b>
Less : Income tax paid (net of refunds)	2.92	36.85	(14.51)	33.94
<b>Net cash flow from operating activities (A)</b>	<b>63.80</b>	<b>275.26</b>	<b>105.20</b>	<b>773.73</b>
<b>B Cash flow from investing activities:</b>				
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(8.69)	(4.10)	(111.73)	(33.23)
Proceeds from sale of property, plant and equipment	0.01	-	0.14	-
Proceeds from sale of non-current investment	4.47	1.64	4.36	1.64
Investment in bank deposits (having original maturity of more than 3 months)	33.07	(48.08)	(81.09)	(54.88)
Interest received	1.14	7.20	4.66	9.13
Rent Received	-	-	0.61	-
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>30.00</b>	<b>(43.34)</b>	<b>(182.05)</b>	<b>(77.34)</b>
<b>C Cash flow from financing activities:</b>				
Proceeds from long term borrowings	-	90.00	38.49	100.53
(Repayment) of long term borrowings	(60.97)	(62.40)	(23.23)	(94.99)
(Repayment) of lease liability	(1.08)	(1.04)	(3.06)	(7.50)
Proceeds from short term borrowings	1,417.56	70.00	1,416.82	70.00
(Repayment) of short term borrowings	(1,359.37)	(241.90)	(1,424.21)	(566.86)
Interest paid	(141.43)	(111.30)	(194.04)	(153.38)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(145.29)</b>	<b>(256.64)</b>	<b>(189.23)</b>	<b>(652.20)</b>
<b>D Net increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(51.49)</b>	<b>(24.72)</b>	<b>(267.08)</b>	<b>44.19</b>
Cash and cash equivalents at the beginning of the year	56.26	51.92	427.32	265.04
Cash and cash equivalents at the period end	4.77	27.20	160.24	309.23
	For the period ended 30 September 2021	For the period ended 30 September 2020	For the period ended 30 September 2021	For the period ended 30 September 2020
<b>Balances with banks</b>				
- On current accounts	0.77	27.19	38.97	45.31
- On cash credit accounts	3.99	-	3.99	-
- Deposits with original maturity of less than 3 months	0.01	0.01	117.25	769.87
Cash on hand	-	-	0.03	0.02
Chemical on hand	-	-	-	0.93
<b>Cash and cash equivalents</b>	<b>4.77</b>	<b>27.20</b>	<b>160.24</b>	<b>309.23</b>



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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:

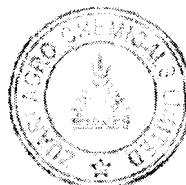
1	Zuari Agro Chemicals Limited (ZACL)
<b>Subsidiaries</b>	
2	Mangalore Chemicals and Fertilizers Limited (MCFL)
3	Adventz Trading DMCC (ATD)
4	Zuari FarmHub Limited (ZFL)
<b>Joint Venture</b>	
5	Zuari Maroc Phosphates Private Limited (ZMPPL) Paradeep Phosphates Limited (PPL) (subsidiary of ZMPPL) Zuari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

3. These unaudited standalone and unaudited consolidated financial results for the quarter ended on September 30, 2021 and year to date from April 1, 2021 to September 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 November 10, 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 1,946.08 crores as at September 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 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 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. 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. 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



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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 30/09/2021	3 months ended 30/06/2021	3 months ended 30/09/2020	6 months ended 30/09/2021	6 months ended 30/09/2020	Year ended 31/03/2021
Total Income	710.05	576.04	435.84	1,286.09	861.25	2,245.49
Total expense	690.42	572.25	470.80	1,262.67	962.94	2,381.12
Profit/(loss) for discontinued operations before tax the year	19.63	3.79	(34.96)	23.42	(101.69)	(135.63)
Tax charge including deferred tax pertaining to discontinued operations	-	-	-	-	-	-
Profit/(loss) for discontinued operations	19.63	3.79	(34.96)	23.42	(101.69)	(135.63)

**Consolidated**

(INR in crores)

Particulars	3 months ended 30/09/2021	3 months ended 30/06/2021	3 months ended 30/09/2020	6 months ended 30/09/2021	6 months ended 30/09/2020	Year ended 31/03/2021
Total Income	710.05	576.04	426.16	1,286.09	842.17	2,194.97
Total expense	687.19	568.86	466.53	1,256.05	957.83	2,369.28
Profit/(loss) for discontinued operations before tax the year	22.86	7.18	(40.37)	30.04	(115.66)	(174.31)
Tax charge including deferred tax pertaining to discontinued operations	-	-	-	-	-	-
Profit/(loss) for discontinued operations	22.86	7.18	(40.37)	30.04	(115.66)	(174.31)

During the 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 in the advanced stage of its IPO process.



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

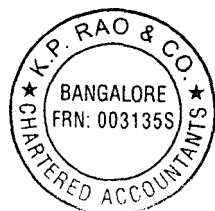
6. The Company had received a requisition under section 100(2) of the Companies Act, 2013 from a group of shareholders holding 10.69% of shares, requesting the Board to call for an Extraordinary General Meeting (EGM) to discuss matters including proceeding against the two BTAs as mentioned in Note 5 (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 statute. Further, subsequent to the 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 September 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 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 September 30, 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 utilisable towards this matter.
10. 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.
11. 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.
12. 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.
13. 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.
14. During the quarter ended September 30, 2021, NPK A plant was shut down for 80 days and NPK B plant was shut down for 18 days due to non-availability of raw materials. Subsequent to the quarter, NPK A & NPK B Plant has been shut down its operation on October 22, 2021 due to planned outage for inspection of the Atmospheric Ammonia storage tank at port which is meant for storage of imported Ammonia as raw material for the NPK plants.
15. 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 has taken the approval of the shareholders by way of special resolution at the Annual General Meeting held on 17.09.2021 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 with effect from 03.09.2020 and shareholders have approved the appointment by a special resolution at the annual general meeting held on 14.09.2020. 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 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.





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 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.
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: November 10, 2021  
Place: Zuarinagar, Goa



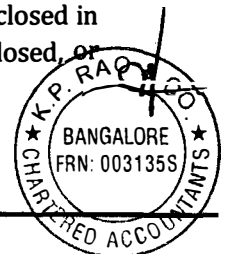
K. P. RAO  
K. VISWANATH                      K.P. SIDDHARTH  
DESMOND J. REBELLO              V. NARAYANAN  
H.N. ANIL                              S. PRASHANTH  
MOHAN R LAVI                        P. RAVINDRANATH

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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 September 30, 2021 and year to date from April 1, 2021 to September 30, 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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**5. Material Uncertainty Related to Going Concern**

We draw attention to Note 4 of the accompanying unaudited standalone financial results, which states that in addition to net current liability position as at September 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**

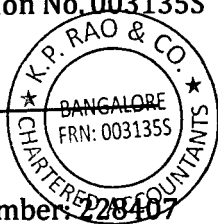
- a. We draw attention to Note 7 of the accompanying unaudited standalone financial results, which describes the management's assessment of the impact of the uncertainties related to outbreak of COVID-19 on the business operations of the Company.
- b. We draw attention to Note 8 of the accompanying unaudited 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 opinion obtained by the consultant, 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 unaudited standalone financial results, regarding Goods and Services Tax ("GST") credit on input services recognized by the Company, which the management has assessed to utilise these credits in future based on the opinion obtained by the consultant of 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 **K.P. Rao & Co**  
Chartered Accountants  
Firm's Registration No. 003135S

  
**Prashanth S**  
Partner

Membership Number: 228407



UDIN : 21228407AAAADN1655

Place: Bengaluru  
Date: November 10, 2021

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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**

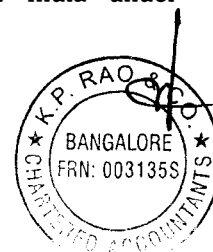
**Review Report to  
The Board of Directors  
Zuari Agro Chemicals Limited**

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 September 30, 2021 and year to date from April 01, 2021 to September 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/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
<b>Subsidiaries</b>	
2	Mangalore Chemicals and Fertilizers Limited (MCFL)
3	Adventz Trading DMCC
4	Zuari Farmhub Limited
<b>Joint Venture</b>	
5	Zuari Maroc Phosphates Private Limited
6	Paradeep Phosphates Limited (subsidiary of Zuari Maroc Phosphates Private Limited)
<b>Associates of Joint Venture</b>	
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**

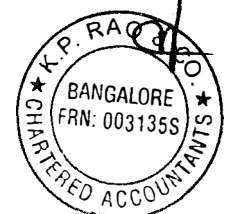
We draw attention to Note 4 of the accompanying unaudited consolidated financial results, which states that in addition to net current liability position as at September 30, 2021, there are events or conditions which indicate that a material uncertainty exists that may cast significant doubt on Holding 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 unaudited consolidated financial results, which describes the management's assessment of the impact of the uncertainties related to outbreak of COVID-19 on the business operations of the Group.

b. We draw attention to Note 8 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 consolidated financial results.

c. We draw attention to Note 9 of the accompanying unaudited consolidated financial results, regarding Goods and Services Tax ('GST') credit on input services recognized by the Holding Company, which the management has assessed to utilise these credits in future based on the opinion obtained by the consultant of 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 of the accompanying unaudited consolidated financial results, 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 the above matters.

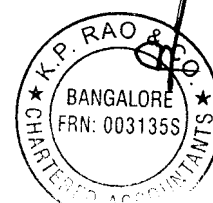
8. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:

- 2 subsidiaries, whose unaudited interim financial results include total assets of INR 2498.14 crores as at September 30, 2021, total revenues of INR 727.82 crores and INR 211.95 crores, total net profit after tax of INR 28.98 crores and INR 14.98 crores, total comprehensive income of INR 28.61 crores INR 14.98 crores for the quarter ended September 30, 2021 and the period ended on that date respectively, and net cash (Outflow) of INR 217.20 crores for the period from April 1, 2021 to September 30, 2021 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 70.48 crores and INR INR 94.60 crores and Group's share of total comprehensive income of INR 69.89 crores and INR 94.09 crores for the quarter ended September 30, 2021 and for the period from April 01, 2021 to September 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.

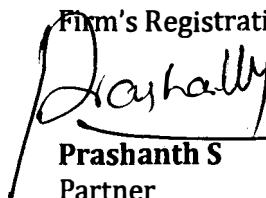
9. One of these subsidiaries is located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in

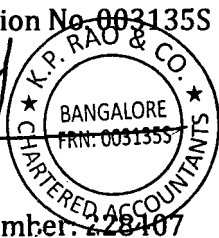


its respective country and which have been reviewed by other auditors under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial results of such subsidiary located outside India from accounting principles generally accepted 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 **K.P. Rao & Co**  
Chartered Accountants

Firm's Registration No. 003135S

  
**Prashanth S**  
Partner  
Membership Number: 228407



UDIN : 21228407AAAADO6792

Place: Bengaluru  
Date: November 10, 2021