

November 1, 2018

To,

The Secretary,
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
BSE scrip Code: 534742

National Stock Exchange of India Ltd,
Exchange Plaza, 5th floor,
Plot No. cm, 'G' Block, 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:

- a) The meeting of the Board of Directors was held on Thursday, the 1st November, 2018 at 11.30 A.M. and concluded at 1.30 P.M.
- b) The Board has considered and approved Unaudited Financial Results for the quarter and half year ended 30th September, 2018. A Copy of the approved results alongwith Limited Review Report is enclosed herewith.
- c) The Board at its meeting held on 19th May, 2017 had approved the Integrated Revamp of Ammonia-Urea plants at a cost of approx. Rs.1300 crores which was disclosed to the stock exchanges on 20th May, 2017 and clarification w.r.t the same was submitted on 23rd May, 2017. Now we wish to inform you that on a priority basis the company's modernization plans costing approx Rs.1300 crores stands modified to Rs. 380 crores as of now for an energy saving project.

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

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

Tel: +0832 2592180. 2592181, 6752399

www.zuari.in

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

1. We have reviewed the accompanying Statement of unaudited standalone Ind AS financial results of Zuari Agro Chemicals Limited (the 'Company') for the quarter ended September 30, 2018 and year to date from April 1, 2018 to September 30, 2018 (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 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. The preparation of the Statement 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 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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.
4. Emphasis of Matter
 - a) We draw attention to Note 15 of the unaudited standalone Ind AS financial results, which describes the impact of Rs.11.62 crore as an adjustment related to assessment of the impairment of investment in MCA Phosphates Pte Ltd, a joint venture company, which has led to a restatement of the standalone financial results for the year ended March 31, 2018 included in the Statement. Our conclusion is not qualified in respect of this matter.
 - b) We draw attention to Note 17 of the unaudited standalone financial results, wherein the Company is carrying a receivable of Rs.19.49 crore in relation to the subsidy income accrued during the year ended March 31, 2013. Based on the legal opinion obtained by the Company, 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 financial results. Our conclusion is not qualified in respect of this matter.
 - c) We draw attention to Note 7 regarding Goods and Services Tax ('GST') credit on input services recognized by the Company based on its assessment and on a legal opinion obtained by its subsidiary and reliance placed on an order of High Court of Gujarat providing interim relief in a similar matter. The Company has also filed a writ petition in the High Court of Bombay at Goa and is confident of matter being to be decided in its favor. Our conclusion is not qualified in respect of this matter.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Vishal Sharma
per Vishal Sharma
Partner
Membership No.: 096766



Place: Gurugram

Date: November 1, 2018

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

1. We have reviewed the accompanying Statement of unaudited consolidated Ind AS financial results of Zuari Agro Chemicals Limited Group comprising of Zuari Agro Chemicals Limited (the 'Company'), its subsidiaries (together referred to as 'the Group'), its joint ventures and its associate, for the quarter ended September 30, 2018 and year to date from April 01, 2018 to September 30, 2018 (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 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. The preparation of the Statement 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 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue express a conclusion on the Statement based on our review.
3. 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.
4. We draw attention to Note 19 of the unaudited consolidated Ind AS financial results which include the Group's share of total comprehensive income (comprising of profits and other comprehensive income) of Rs.7.05 crore and Rs.12.72 crore for the quarter and the period ended September 30, 2018 respectively, in respect of one joint venture, located outside India, whose financial statements and other financial information have not been subject to a review and has been compiled by the management. The Company's management has converted such unreviewed financial statements of such joint venture located outside India from accounting principles generally accepted in the respective country to accounting principles generally accepted in India. Accordingly, we are unable to comment on the financial impact, if any, on the Statement of unaudited consolidated financial results if the same had been reviewed or audited.
5. **Emphasis of Matter**
 - a) We draw attention to Note 15 of the unaudited consolidated Ind AS financial results, which describes the impact of Rs.11.62 crore as an adjustment related to assessment of the impairment of investment in MCA Phosphates Pte Ltd, a joint venture company, which had led to a restatement of the consolidated financial results for the year ended March 31, 2018 included in the Statement. Our conclusion is not qualified in respect of this matter.
 - b) We draw attention to Note 17 of the unaudited consolidated Ind AS financial results, wherein the Company is carrying receivable of Rs.19.49 crore in relation to the subsidy income accrued during the year ended March 31, 2013. Based on the legal opinion obtained by the Company, 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 financial results. Our conclusion is not qualified in respect of this matter.
 - c) We draw attention to Note 10 of the unaudited consolidated Ind AS financial results regarding Urea Concession Income from the Government of India (GOI) in case of one subsidiary, which is being recognised based on estimates, and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme. Our conclusion is not qualified in respect of this matter.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- d) We draw attention to Note 7 regarding Goods and Services Tax ('GST') credit on input services recognized by the Group including the Company based on its assessment and on a legal opinion obtained by its subsidiary and reliance placed on an order of High Court of Gujarat providing interim relief in a similar matter. The Company has also filed a writ petition in the High Court of Bombay at Goa and is confident of matter being to be decided in its favor. Our conclusion is not qualified in respect of this matter.
6. The unaudited consolidated Ind AS financial results include financial results and other financial information in respect of one subsidiary located outside India, whose financial results and other financial information reflect total assets of Rs.4.13 crore as at September 30, 2018, total revenue of Rs.2.81 crore and Rs.3.21 crore for the quarter and the period ended September 30, 2018 respectively and total comprehensive income (comprising of income and other comprehensive income) of Rs.1.63 crore and Rs.0.82 crore for the quarter and the period ended on that date respectively, have been prepared in accordance with accounting principles generally accepted in the respective country and which have been reviewed by the other auditor under generally accepted auditing standards applicable in the respective country and whose report has been furnished to us by the management. Our conclusion, in so far as it relates to the affairs of this subsidiary is based solely on the report of the other auditor. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in the respective country to accounting principles generally accepted in India.
7. The unaudited consolidated Ind AS financial results include the Group's share of total comprehensive income (comprising of profits and other comprehensive income) of Rs.30.26 crore and Rs.34.84 crore for the quarter and the period ended September 30, 2018 respectively, as considered in the unaudited consolidated Ind AS financial results, in respect of a joint venture, whose financial results, other financial information have been reviewed by other auditor and whose report has been furnished to us by the management. Our conclusion, in so far as it relates to the affairs of this joint venture is based solely on the report of the other auditor. The comparative Ind AS financial information of the joint venture for the corresponding quarter and the period ended September 30, 2017 as reported in the unaudited consolidated Ind AS financial results have been presented solely based on the information compiled by the management which have been approved by the Board of Directors of the Joint Venture but have not been subjected to review. Our conclusion is not modified in respect of this matter.
8. Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited separate quarterly financial results and on the other financial information of joint venture including its subsidiary, read with para 6 and 7 above, except for the possible effects of the matter described in para 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated Ind AS financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
9. We have not audited or reviewed the comparative consolidated Ind AS financial information of the Company for the corresponding quarter and period ended September 30, 2017, which have been presented solely based on the information compiled and approved by the management.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005


per Vishal Hafsa

Partner

Membership No.: 096766

Place: Gurugram

Date: November 01, 2018



ZUARI AGRO CHEMICALS LIMITED
 Regd. Office : Jai Kisaan Bhawan, Zuarinagar, Goa -403 726. CIN -L65910GA2009PLC006177
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

(Rs. in Crore)

Sr No	Particulars	STANDALONE						CONSOLIDATED					
		3 months ended 30/09/2018	3 months ended 30/06/2018	3 months ended 30/09/2017	6 months ended 30/09/2018	6 months ended 30/09/2017	Yearended 31/03/2018 (Restated - Refer Note 15 below)	3 months ended 30/09/2018	3 months ended 30/06/2018	3 months ended 30/09/2017	6 months ended 30/09/2018	6 months ended 30/09/2017	Year ended 31/03/2018 (Restated - Refer Note 15 below)
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue												
	(a) Income from Operations	1,467.70	1,346.83	1,353.58	2,814.53	2,098.02	4,649.96	2,449.52	2,000.52	2,140.76	4,450.04	3,466.01	7,270.86
	(b) Other Income	18.15	15.72	14.36	33.88	30.33	81.25	12.59	16.88	15.65	29.47	32.25	87.14
	Total Revenue	1,485.85	1,362.55	1,367.94	2,848.41	2,128.35	4,731.21	2,462.11	2,017.40	2,156.41	4,479.51	3,498.26	7,358.00
2	Expenses												
	(a) Cost of materials consumed	823.63	599.76	581.76	1,423.38	1,006.77	2,203.47	1,264.88	879.33	873.45	2,144.21	1,602.71	3,475.16
	(b) Purchase of stock-in-trade	180.71	697.05	428.06	877.76	813.63	1,410.89	340.49	938.48	466.90	1,278.97	1,220.57	2,057.46
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	108.69	(281.63)	(24.16)	(172.94)	(314.28)	(234.32)	193.65	(323.47)	221.54	(129.82)	(332.02)	(345.70)
	(d) Employee benefit expense	25.76	24.63	23.18	50.40	47.70	93.03	44.38	43.61	41.82	87.99	83.18	163.10
	(e) Depreciation and amortisation expense	11.18	10.89	10.65	22.07	20.53	42.58	21.43	20.72	19.68	42.15	38.42	82.53
	(f) Excise duty	-	-	(0.68)	-	2.39	2.39	-	-	(0.68)	-	6.36	6.08
	(g) Finance costs	79.81	84.64	76.53	164.45	145.91	315.82	112.36	116.42	98.59	228.79	190.97	403.58
	(h) Other expenses	268.45	238.89	215.19	507.33	386.72	832.67	458.35	361.35	347.06	819.70	643.25	1,379.63
	Total expenses	1,498.23	1,374.23	1,310.53	2,872.45	2,109.37	4,666.53	2,435.54	2,036.44	2,068.36	4,471.99	3,453.44	7,221.84
3	Profit / (Loss) before exceptional items and tax (1-2)	(12.38)	(11.68)	57.41	(24.04)	18.98	64.68	26.57	(19.04)	88.05	7.52	44.82	136.16
4	Exceptional (expenses)	-	-	-	-	-	(25.56)	-	-	-	-	-	(25.56)
5	Share of profit of an associate and joint ventures	-	-	-	-	-	-	30.43	4.76	18.57	35.19	30.21	58.49
6	Profit / (Loss) before tax (3+4+5)	(12.38)	(11.68)	57.41	(24.04)	18.98	39.12	57.00	(14.28)	106.62	42.71	75.03	169.09
7	Tax expense/ (credit)												
	(a) Current Tax	-	-	7.06	-	7.06	17.99	9.59	-	13.24	9.59	13.24	35.66
	(b) MAT Credit	-	-	(7.06)	-	(7.06)	(17.99)	-	-	(7.06)	-	(7.06)	(17.99)
	(c) Deferred Tax Charge/ (Credit)	(6.95)	(3.35)	21.05	(10.30)	10.03	23.79	0.44	(6.29)	25.46	(5.86)	13.56	20.59
	(d) Deferred tax Charge/ (Credit) of earlier years (Net)	-	-	-	-	-	(15.00)	-	-	-	-	-	(15.00)
	Net Tax expense/(credit)	(6.95)	(3.35)	21.05	(10.30)	10.03	8.79	10.03	(6.29)	31.64	3.73	19.74	23.26
8	Net Profit / (Loss) for the period/year (6-7) (a)	(5.43)	(8.33)	36.36	(13.74)	8.95	30.33	46.97	(7.99)	74.98	38.98	55.29	145.83
9	Other Comprehensive income / (expense) (net of tax)												
	A Items that will not be reclassified to profit or loss												
	Re-measurement gains (losses) on defined benefit plans	0.71	1.98	(0.83)	2.69	(0.70)	0.64	0.77	2.16	(1.47)	2.94	(1.30)	0.39
	Income tax relating to items that will not be reclassified to profit or loss	(0.25)	(0.69)	0.29	(0.94)	0.25	(0.22)	(0.27)	(0.76)	0.51	(1.03)	0.45	(0.14)
	Net (loss)/gain on FVTOCI financial instruments	(8.28)	(10.65)	(3.11)	(18.93)	(13.93)	(13.73)	(8.28)	(10.65)	(3.11)	(18.93)	(13.93)	(13.73)
	Share of OCI of an associate and joint ventures	-	-	-	-	-	-	(0.46)	(0.46)	0.24	(0.91)	0.24	1.03
	B Items that will be reclassified to profit or loss												
	Share of OCI of an associate and joint ventures	-	-	-	-	-	-	7.33	5.95	1.02	13.28	0.94	(0.99)
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	0.19	0.15	(0.01)	0.34	(0.01)	0.03
	Total Other Comprehensive Income/(loss) (b)	(7.82)	(9.36)	(3.65)	(17.18)	(14.38)	(13.31)	(0.72)	(3.61)	(2.82)	(4.31)	(13.61)	(13.41)
10	Total Comprehensive Income/(loss) for the period/year (a+b)	(13.25)	(17.69)	32.71	(30.92)	(5.43)	17.02	46.25	(11.60)	72.16	34.67	41.68	132.42
11	Profit attributable to:												
	Owners of the equity							33.31	(6.15)	65.34	27.16	47.15	117.37
	Non-controlling interest							13.66	(1.84)	9.64	11.82	8.14	28.46
	Other comprehensive income attributable to:												
	Owners of the equity							(0.74)	(3.67)	(2.62)	(4.38)	(13.43)	(13.34)
	Non-controlling interest							0.02	0.06	(0.20)	0.07	(0.18)	(0.07)
	Total comprehensive income attributable to:												
	Owners of the equity							32.57	(9.82)	62.72	22.77	33.72	104.03
	Non-controlling interest							13.68	(1.78)	9.44	11.90	7.96	28.39
12	Paid-up Equity Share Capital (face value Rs. 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
13	Other Equity as per balance sheet of previous accounting year						631.78						1,422.66
14	Earnings/ (Loss) per share (of Rs.10/- each) (not annualised):												
	(a) Basic (Rs.)	(1.29)	(1.98)	8.64	(3.27)	2.13	7.21	7.92	(1.46)	15.54	6.46	11.21	27.91
	(b) Diluted (Rs.)	(1.29)	(1.98)	8.64	(3.27)	2.13	7.21	7.92	(1.46)	15.54	6.46	11.21	27.91



ZUARI AGRO CHEMICALS LIMITED

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

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	As at September 30, 2018 (Unaudited)	As at March 31, 2018 (Restated - Refer Note 15 below) (Audited)	As at September 30, 2018 (Unaudited)	As at March 31, 2018 (Restated - Refer Note 15 below) (Audited)
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	473.16	482.15	1,657.50	1,666.77
(b) Capital work-in-progress	140.81	113.53	172.54	146.56
(c) Investment Property	3.62	3.62	3.62	3.62
(d) Other Intangible Assets	20.55	20.67	126.03	127.49
(e) Intangible assets under development	-	-	-	-
(f) Investments in Joint Ventures			895.83	848.27
(g) Financial Assets				
(i) Investments	866.58	885.51	43.65	62.57
(ii) Loans	6.81	6.76	12.70	12.44
(iii) Others	21.10	17.20	21.70	17.61
(h) Deferred tax assets (Net)	101.44	92.08	101.44	92.08
(i) Other non-current assets	77.83	79.68	78.26	80.38
(j) Income Tax Assets (Net)	35.26	41.20	35.26	41.64
Total Non-current assets	1,747.16	1,742.40	3,148.53	3,099.43
Current assets				
(a) Inventories	867.17	656.76	1,203.18	1,051.14
(b) Financial Assets				
(i) Trade Receivables	2,201.36	2,203.54	3,312.21	3,417.86
(ii) Cash and cash equivalents	18.78	33.49	74.33	147.39
(iii) Bank balances other than (ii) above	20.77	13.06	40.80	21.30
(iv) Loans	12.33	17.84	12.29	8.49
(v) Others	335.10	300.82	410.84	421.99
(c) Other current assets	164.54	91.85	216.10	123.44
Total Current assets	3,620.05	3,317.36	5,269.75	5,191.61
Total Assets	5,367.21	5,059.76	8,418.28	8,291.04
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	42.06	42.06	42.06	42.06
(b) Other equity	600.86	631.78	1,438.75	1,422.67
(c) Non-controlling interests	-	-	401.93	390.03
Total Equity	642.92	673.84	1,882.74	1,854.76
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	552.20	323.42	757.00	520.29
(ii) Other financial liabilities	0.39	0.80	2.47	5.42
(b) Provisions	0.46	0.49	15.97	15.37
(c) Deferred tax liabilities(Net)	-	-	17.91	13.38
(d) Other Non current liabilities	0.94	1.02	0.94	1.02
Total Non-current liabilities	553.99	325.73	794.29	555.48
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,830.89	2,701.54	2,658.16	3,834.12
(ii) Trade Payables				
a) total outstanding dues of micro enterprises and small enterprises	2.01	1.50	7.59	2.55
b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,007.66	919.50	2,602.81	1,477.50
(iii) Other financial liabilities	236.53	232.00	364.41	337.30
(b) Other current liabilities	55.61	166.84	61.65	181.79
(c) Tax Liabilities (Net)	14.76	14.76	14.79	14.76
(d) Provisions	22.84	24.05	31.84	32.78
Total Current liabilities	4,170.30	4,060.19	5,741.25	5,880.80
Total Equity and Liabilities	5,367.21	5,059.76	8,418.28	8,291.04



Notes:

1. The above un-audited standalone and consolidated financial results of Zuari Agro Chemicals Limited ("The Company"), for the quarter and six months period ended on September 30, 2018 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 01, 2018. The Statutory Auditors have conducted a "Limited Review" of these results in terms of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The standalone & consolidated financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") specified in the Companies (Indian Accounting Standards) Rules 2015 (as amended) under section 133 of the Companies Act 2013 (the "accounting principles generally accepted in India").
3. Ind AS 115 "Revenue from Contracts with Customers", mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018 in standalone and consolidated financial results. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the standalone and consolidated financial results.
4. The certificate of CEO and CFO in terms of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of above results have been placed before Board of Directors.
5. The financial results of the following entities have been consolidated with the financial results of the Company, herein after referred to as "the Group"

Subsidiaries:

- a) Mangalore Chemicals & Fertilizers Limited (MCFL)
- b) Adventz Trading DMCC (ATD)

Joint Ventures:

- a) Zuari Maroc Phosphates Private Limited (ZMPPL)
- b) Paradeep Phosphates Limited (PPL) (subsidiary of ZMPPL)
- c) MCA Phosphates Pte Ltd (MCAP)

Associate of Joint Ventures:

- a) Fosfatos del Pacifico S.A. (FDP) (associate of MCAP)

6. Revenue from operations in the standalone and consolidated financial results for the six months period ended September 30, 2018 and the year ended March 31, 2018 are not comparable with six months period ended September 30, 2017, since revenue in this period and year ended is net of Goods and Service Tax (GST) effective July 1, 2017, whereas Excise Duty formed part of other expenses in the six months period ended September 30, 2017 till June 30, 2017.
7. Vide notification number 26/ 2018 dated June 13, 2018, the department has amended definition of "Net Input Tax Credit (ITC)" for the purpose of GST refund on account of inverted duty structure with effect from July 01, 2017 to include ITC availed only on inputs which excludes input services. The Company and the Group including the Company has claimed GST refund with respect to input services effective July 01, 2017 till April 17, 2018 which aggregates to Rs. 18.79 crores and Rs. 28.57 crores (net of amount eligible for recovery as subsidy) respectively. Further, during the current quarter, the Company and the Group including the Company has recognized GST input tax credit of Rs. 10.85 crores and Rs. 20.47 crores respectively (including Rs. 5.57 crores and Rs. 10.11 crores, respectively, relating to the quarter ended June 30, 2018) on input services for the six months period ended September 30, 2018.

Management, based on a tax opinion obtained by the group and also relying on similar fact pattern in an order dated September 18, 2018 of the High Court of Gujarat in respect of an another application of another company on this matter wherein ad-interim relief was granted, is of the view that to the extent the aforesaid Notification denies grant of refund



of unutilized tax credit in respect of tax paid on input services is ultra vires to the Central Goods and Services Tax Act, 2017 and has also filed a writ petition in the High Court of Bombay at Goa and is confident of getting the refund claims.

The aforesaid input tax credit recognized by the Company and the Group would also be available for utilization against output tax liability arising in future as the input tax credit has indefinite life and the same can be utilized by the Company and the group in the future. Accordingly, the management is confident of refund / utilization of tax credit in respect of tax paid on input services and that no liability including interest, if any, would arise from the same.

8. During the quarter ended September 30, 2018, the Company has received demand notice of Rs. 27.67 crores towards excess refund on account of input tax credit on input services. As the Company has filed writ petition in the Hon'ble High Court of Bombay at Goa, challenging the notifications no. 21/2018-CT dated April 18, 2018 & No. 26/2018-CT dated June 13, 2018 and based on the legal opinion obtained by its subsidiary company, is confident that the demand will not sustain, thereby no provision has been made in the books of account.

9. Mangalore Chemicals and Fertilizers Limited (MCFL), a subsidiary of the Company had engaged an independent firm to carry out forensic review of certain transactions relating to investment in preference shares of Bangalore Beverages Limited and advances to United Breweries (Holdings) Limited, which indicated that these transactions may have involved irregularities. These investment and advances aggregating to Rs. 216.68 crores in the books of the subsidiary company were fully provided for during the year ended March 31, 2016.

Zuari Fertilisers and Chemicals Limited (ZFCL), the then holding company of MCFL, (now merged with the Company) had filed a petition before the National Company Law Tribunal, Bengaluru ("NCLT") to claim accountability of erstwhile promoter group for the aforesaid irregularities. The matter is currently pending before the NCLT.

10. The standalone and consolidated financial results for the quarter and six months period ended September 30, 2018 have been prepared on the basis of notified concession price of Urea under New Urea Policy 2015, which are further adjusted for input price escalation / de-escalation, as estimated on the basis of prescribed norms.

Mangalore Fertilizers and Chemicals Limited (MCFL) a subsidiary company recognizes Urea concession income as per Government of India (GOI) notification dated June 17, 2015 which is based on estimates and changes, if any, and are recognized in the year of finalization of the prices by the GOI under the scheme. Accordingly, revenue from operations for the quarter and six months period ended September 30, 2018 and the year ended March 31, 2018 include additional urea concession income of Rs. 30.51 crores and Rs. 20.69 crores, respectively, relating to immediately preceding financial year recognized on finalization of escalation/de-escalation claims.

The subsidy on Phosphatic and Pottasic fertilizers has been accounted based on the rates announced by the GOI under Nutrient Based Subsidy Policy, from time to time.

11. Under the provision of Ind AS 108, the Company/Group operates in a single segment of fertilizer operations and therefore separate segment disclosures have not been given.

12. The Urea, Ammonia and Utilities plants of the Company have been shutdown from October 19, 2018 to November 30, 2018 for annual maintenance. The Ammonia, Urea and ABC plants of MCFL, a subsidiary, were shutdown from April 25, 2018 to June 10, 2018 for planned maintenance activities.

13. There has been a deadlock between the Company and its JV partner Mitsubishi in its rock phosphate mining project through MCA Phosphate Pte Ltd (MCAP), about certain impairments recorded in the financial statements of MCAP for financial years 2015-16 and 2016-17. On February 15, 2018, MCAP had issued a share offer notice by virtue of which the Company was offered to subscribe to certain ordinary shares. In light of the objections already raised by the Company in regard to the impairment and adoption of accounts and the nominal value at which the shares were issued, it did not subscribe to the rights issue. On May 30, 2018, the Company obtained the clarification from the JV partner that its shareholding in MCAP has been diluted from 30% to 0.17% with effect from April 01, 2018.



The Company initiated legal proceedings before the High Court of Singapore on June 04, 2018 seeking certain relief. The matter was heard on August 13, 2018 and the Company has been advised that, an order has been passed by the High Court of Singapore mandating that *inter alia* no steps should be taken: i) in respect of any matter specified as a super-majority decision in the shareholders agreement dated December 20, 2011, without the prior written consent of the Company, to, among other things, preserve the Company's original investment; and ii) no steps should be taken to change the shareholding of MCAP or to amend the Articles of Association of MCAP or to act in any manner inconsistent with the shareholders agreement mentioned above. The Company has also initiated arbitration proceedings against the JV partner in accordance with the arbitration rules of the International Chamber of Commerce (ICC) and has also moved application seeking interim relief with ICC for continuation of the reliefs granted by the High Court of Singapore.

14. The Company is planning to set up a Phosphatic fertilizer plant in Ras-Al-Khaimah (RAK) in United Arab Emirates in collaboration with Ras-Al-Khaimah Maritime City Free Zone Authority. Expenditure on feasibility study and related expenditure amounting to Rs. 32.12 crores have been carried forward, pending decision on issue of shares to the Company in the proposed Joint Venture project. The JV Company has been incorporated and definitive agreement between the shareholders have been completed which also provides for the re-imburement of these expenses by the JV Company. These expenditures have been approved by the JV Company. The Company is in discussion with various EPC contractors and rock phosphate suppliers with regard to the implementation of the project. The current license of the JV Company for the free zone was due for renewal on annual basis. The process for extension of license has been initiated by the JV Company.
15. In respect of the Company's investment of Rs.119.43 crores in the rock phosphate mining project (which is under development) through MCA Phosphate Pte Ltd, a joint venture company, the Company had not considered any impairment loss till the time of finalization of the financial statements for the year ended March 31, 2018.

The joint venture company though had provided for diminution in the entire value of said investment, which the Company is not in agreement with since the same is not in accordance with the shareholders agreement with the joint venture company, and also the project company where the MCA phosphate Pte Ltd has made the investment, had not made any provision for any impairment.

During the previous quarter, the Company has assessed the fair value of the said investment based on the fair valuation done by an independent valuer and have concluded that the impairment loss was required to be recognised. Accordingly, the company has recognized an impairment loss of Rs.11.62 crores in the standalone and consolidated financial results and the figures for the year ended March 31, 2018 have been appropriately restated and disclosed under exceptional items as per Ind AS 8 "Accounting Policies, Change in Accounting Estimates and Errors".

Disclosure pursuant to Ind AS 8 "Accounting Policies, Change in Accounting Estimates and Errors" (specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2015) is as below:

(Rs. in crores)

Particulars	Standalone				Consolidated			
	Profit before tax	Profit after tax	Earnings per Share* (Rs.)	Total Comprehensive Income	Profit before tax	Profit after tax	Earnings per Share* (Rs.)	Total Comprehensive Income
Year Ended March 31, 2018 (Restated)	39.12	30.33	7.21	17.02	169.09	145.83	27.91	132.42
Year Ended March 31, 2018 (Published)	50.74	41.95	9.97	28.64	180.71	157.45	30.67	144.04

*Basic & diluted



16. Exceptional items for the year ended March 31, 2018 included the above results represent provision made against Inter Corporate Deposits including interest accrued and impairment of the Company's investment in the rock phosphate mining project (which is under development) through MCA Phosphate Pte Ltd (Refer note 14 above).
17. The Company is carrying a receivables of Rs. 19.49 crore for the period February 2013 & March 2013 on account of accrual of subsidy income at higher rate in comparison to rate at which subsidy is granted. However, as per the office Memorandum dated April 16, 2018 issued by the Department of Fertilizer, the Government has ex-post facto approved the subsidy paid on specific quantity of P&K fertilizer received in the district during February 2013 and March 2013 months in different year since 2012-13 at the rates fixed for the next financial year which were lower than the rate approved by cabinet /CCEA for that year. The Company has represented to the Department of Fertilizer that the material moved in February 2013 and March 2013 was part of the approved movement plan of January 2013 and hence NBS rates of 2013 should be applicable. The Company has obtained a legal opinion and if required will take appropriate recourse to recover this amount. The company is hopeful to realize the aforesaid amount hence no provision for Rs. 19.49 crores has been made in the accounts.
18. Receivables on account of interest from dealers on delayed payment were hitherto recognized once the principal payment of particular invoice received from the dealer. However, the Company has during the year ended March 31, 2018 changed its policy of accruing overdue interest fully on accrual basis to the extent the Company is reasonably certain of their ultimate collection. This change of policy had resulted into profit before tax for the year being higher by Rs. 23.01 crores (on standalone and consolidated basis) for the year ended March 31, 2018.
19. The consolidated Ind AS financial results include the Group's share of total comprehensive income (comprising of profits and other comprehensive income) of Rs.7.05 crores for the quarter ended September 30, 2018 and Rs. 12.72 crores for the six months period ended September 30, 2018 in respect of one of the joint ventures including its associate, both located outside India, whose financial statements and other financial information have not been subject to a review and has been compiled by the management in accordance with accounting principles generally accepted in the respective country. The Company's management has converted the financial statements of such joint venture located outside India from accounting principles generally accepted in the respective country to accounting principles generally accepted in India.
20. Hon'ble National Company Law Tribunal (NCLT), Bench at Mumbai has sanctioned the scheme of amalgamation of Zuari Fertilizers and Chemicals Limited (ZFCL), Zuari Speciality Fertilizers Limited (ZSFL) and Zuari Agri Sciences Limited (ZASL) with the Company effective date being April 1, 2015, vide its order dated September 14, 2017. The scheme has become effective from November 13, 2017. Consequently, the figures (including earning per share) for the quarter and six months period ended September 30, 2017 have been revised and restated giving effect of the scheme and have been reviewed by the statutory auditors and audit committee of the company.



Date : November 01, 2018
Place : Gurugram

For and on behalf of Board of Directors


Sunil Sethy
Managing Director
DIN 00244104