

9<sup>th</sup> August, 2023

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 at its meeting held today, i.e. 9<sup>th</sup> August, 2023, inter alia, has considered and approved Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended 30<sup>th</sup> June, 2023. The Statutory Auditors of the Company, M/s K. P. Rao & Co. Chartered Accountants have issued Limited Review Report for the same. A copy of the approved results alongwith Limited Review Report is enclosed as **Annexure A**.

The Meeting commenced at 11.30 A.M (IST) and concluded at 2.45 P.M.(IST).

Thanking You,

Yours Faithfully,  
**For Zuari Agro Chemicals Limited**

  
**Manoj Dere**  
Company Secretary



Encl: As above

**ZUARI AGRO CHEMICALS LIMITED**  
 Regd. Office: Jai Kisan Bhawan, Zamrinagar, Goa -403 726, CIN-L68910G A2009PLC006177  
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023**

(INR in Crores)

S. No	Particulars	STANDALONE				CONSOLIDATED			
		3 months ended 30-06-2023	3 months ended 31-03-2023	3 months ended 30-06-2022	Year ended 31-03-2023	3 months ended 30/06/2023	3 months ended 31/03/2023	3 months ended 30/06/2022	Year ended 31/03/2023
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
1	<b>Continuing operations</b>								
	Revenue								
	(a) Revenue from operations	40.74	39.44	52.46	165.00	1,205.38	1,338.91	1,295.92	4,552.62
	(b) Other income	9.27	59.93	7.28	72.61	15.08	65.81	11.71	94.65
	<b>Total income</b>	<b>50.01</b>	<b>99.37</b>	<b>59.74</b>	<b>237.61</b>	<b>1,220.46</b>	<b>1,404.72</b>	<b>1,307.63</b>	<b>4,647.27</b>
2	<b>Expenses</b>								
	(a) Cost of raw material and components consumed	24.93	30.36	25.12	118.25	585.14	584.64	630.73	2,187.48
	(b) Purchases of traded goods	-	-	15.89	15.89	650.93	212.10	230.40	833.91
	(c) Changes in inventories of finished goods, traded goods and work-in-progress	4.17	(0.60)	1.78	(13.43)	(477.68)	73.73	81.44	58.36
	(d) Employee benefits expense	0.90	0.36	2.15	5.54	32.87	28.07	31.87	119.66
	(e) Depreciation and amortisation expense	0.81	1.04	0.87	3.52	22.81	21.25	17.67	78.51
	(f) Finance costs	25.53	26.07	21.53	100.35	56.51	53.53	44.95	205.45
	(g) Other expenses	12.34	13.10	8.75	64.25	290.54	309.69	235.30	1,021.89
	<b>Total expense</b>	<b>68.68</b>	<b>70.33</b>	<b>76.07</b>	<b>294.37</b>	<b>1,161.12</b>	<b>1,283.01</b>	<b>1,272.36</b>	<b>4,505.26</b>
3	<b>Profit / (loss) before exceptional items and tax from continuing operations (1-2)</b>	<b>(18.67)</b>	<b>29.04</b>	<b>(16.33)</b>	<b>(56.76)</b>	<b>59.34</b>	<b>121.71</b>	<b>35.27</b>	<b>142.01</b>
4	Exceptional items (Refer Notes 4)	-	(698.97)	1,142.39	443.42	-	(698.97)	1,142.39	443.42
5	Share of profit of joint venture	-	-	-	-	(34.05)	4.60	28.86	97.93
6	<b>Profit / (loss) before tax from continuing operations (3+4+5)</b>	<b>(18.67)</b>	<b>(669.93)</b>	<b>1,126.06</b>	<b>386.66</b>	<b>25.29</b>	<b>(572.66)</b>	<b>1,206.52</b>	<b>683.36</b>
7	<b>Tax expense / (credit)</b>								
	(a) Current tax	-	(173.71)	199.07	10.17	13.59	(157.35)	210.07	50.63
	(b) Tax relating to earlier years	-	-	-	-	-	0.01	-	0.01
	(c) Deferred tax charge / (credit)	-	2.33	61.69	67.42	13.29	11.38	68.56	78.47
	Income tax expense / (credit)	-	(171.38)	260.76	77.59	26.88	(145.96)	278.63	129.11
8	<b>Profit / (loss) for the period / year from continuing operations (6+7)</b>	<b>(18.67)</b>	<b>(498.55)</b>	<b>865.30</b>	<b>309.07</b>	<b>(1.59)</b>	<b>(426.70)</b>	<b>927.89</b>	<b>554.25</b>
9	Profit / (loss) for the period / year from discontinued operations (Refer Note 4(i) below)	-	-	(15.22)	(15.22)	-	-	(15.22)	(15.22)
10	Tax expense of discontinued operations (Refer Note 4(i) below)	-	-	-	-	-	-	-	-
11	<b>Profit / (loss) for the period / year from discontinued operations (Refer Note 4(i) below) (9-10)</b>	<b>-</b>	<b>-</b>	<b>(15.22)</b>	<b>(15.22)</b>	<b>-</b>	<b>-</b>	<b>(15.22)</b>	<b>(15.22)</b>
12	<b>Profit / (loss) for the period / year (8 + 11) (a)</b>	<b>(18.67)</b>	<b>(498.55)</b>	<b>850.08</b>	<b>293.85</b>	<b>(1.59)</b>	<b>(426.70)</b>	<b>912.67</b>	<b>539.03</b>
13	<b>Other Comprehensive Income (net of tax)</b>								
	<b>A Items that will not be reclassified to profit or loss</b>								
	Re-measurement gains / (losses) on defined benefit plans	-	(0.20)	0.19	(0.04)	(0.54)	(0.50)	0.65	(0.38)
	Income tax relating to items that will not be reclassified to profit or loss	-	0.05	(0.05)	0.01	0.19	0.17	(0.21)	0.14
	Net (loss)/gain on FVTOCI financial instruments	1.69	26.69	(0.81)	27.40	1.69	26.69	(0.81)	27.40
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Share of OCI of joint ventures	-	-	-	-	(0.13)	(0.15)	0.22	0.14
	<b>B Items that will be reclassified to profit or loss</b>								
	Share of OCI of joint ventures	-	-	-	-	-	-	-	-
	Exchange differences on translation of foreign operations	-	-	-	-	-	0.08	-	-
	<b>Total Other Comprehensive Income (b)</b>	<b>1.69</b>	<b>26.54</b>	<b>(0.67)</b>	<b>27.37</b>	<b>1.21</b>	<b>26.29</b>	<b>(0.15)</b>	<b>27.30</b>
14	<b>Total Comprehensive Income / (loss) for the period / year (a+b)</b>	<b>(16.98)</b>	<b>(472.01)</b>	<b>849.41</b>	<b>321.22</b>	<b>(0.38)</b>	<b>(400.41)</b>	<b>912.52</b>	<b>566.33</b>
15	<b>Profit attributable to:</b>								
	Owners of the equity					(24.27)	(458.40)	902.20	476.64
	Non-controlling interest					22.67	31.70	10.48	62.40
	<b>Other comprehensive income attributable to:</b>								
	Owners of the equity					1.37	26.42	(0.29)	27.45
	Non-controlling interest					(0.16)	(0.13)	0.14	(0.14)
	<b>Total comprehensive income attributable to:</b>								
	Owners of the equity					(22.90)	(431.98)	901.91	504.07
	Non-controlling interest					22.51	31.57	10.62	62.26
16	<b>Paid-up Equity Share Capital (face value INR 10/- per share)</b>	<b>42.06</b>	<b>42.06</b>	<b>42.06</b>	<b>42.06</b>	<b>42.06</b>	<b>42.06</b>	<b>42.06</b>	<b>42.06</b>
17	<b>Other Equity as per balance sheet of previous accounting year</b>				128.01				1,539.11
18	<b>Earnings / (Loss) per share (of INR 10/- each) (not annualised):</b>								
	(a) Basic and diluted EPS from continuing operations (INR)	(4.44)	(118.54)	205.74	73.49	(5.77)	(108.99)	218.13	116.95
	(b) Basic and diluted EPS from discontinued operations (INR)	-	-	(3.62)	(3.62)	-	-	(3.62)	(3.62)
	(c) Basic and diluted EPS from continuing and discontinued operations (INR)	(4.44)	(118.54)	202.12	69.87	(5.77)	(108.99)	214.51	113.33



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) (Not considered for consolidation(Refer note: 8(i))
4	Zuari FarmHub Limited (ZFL)(Refer note: 8(ii))
<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 consolidated financial results for the quarter ended on June 30, 2023 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 August 09, 2023. 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. During the year 2020-21 the Company had entered into a Business Transfer agreement (BTA) dated March 01, 2021 with Paradeep Phosphates Limited (PPL) for transfer of its Fertilizer plant at Goa and associated business (Fertilizer Division) of the Company as a going concern on slump sale basis to PPL.

The Company consummated the sale and transfer of Goa fertilizer plant and associated business to PPL and recognized Pre-tax gain of INR 1,142.39 Crores for the quarter ended June 30, 2022 included under as exceptional Item in the financial statement of the Company.

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:

Particulars	(INR in crores)			
	3 months ended	3 months ended	3 months ended *	Year ended *
	30-06-2023	31-03-2023	30-06-2022	31-03-2023
Total Income	NA	NA	286.22	286.22
Total expense	NA	NA	301.44	301.44
Profit/(loss) for discontinued operations before tax the year	NA	NA	(15.22)	(15.22)



Tax charge including deferred tax pertaining to discontinued operations	NA	NA	-	-
Profit/(loss) for discontinued operations	NA	NA	(15.22)	(15.22)

\*Figures are upto the date of business consummated i.e 31 May 2022.

Particulars	(INR in crores)			
	3 months ended	3 months ended	3 months ended*	Year ended*
	30-06-2023	31-03-2023	30-06-2022	31-03-2023
Total Income	NA	NA	286.22	286.22
Total expense	NA	NA	301.44	301.44
Profit/(loss) for discontinued operations before tax the year	NA	NA	(15.22)	(15.22)
Tax charge including deferred tax pertaining to discontinued operations	NA	NA	-	-
Profit/(loss) for discontinued operations	NA	NA	(15.22)	(15.22)

\*Figures are upto the date of business consummated i.e. 31 May 2022.

5. During the quarter ended June 30, 2022 ZFL, a subsidiary of the Company, had issued 78,55,60,000 equity shares of INR 10 each to parent company by way of conversion of unsecured compulsory convertible debentures (CCDs). Also ZFL had filed before NCLT, a Scheme for Reduction of its Share Capital ("Scheme") in accordance with section 66 of the Companies Act 2013 by way of setting off its Equity share capital against negative capital reserves as appearing on June 30, 2022. The same was approved by NCLT, Mumbai Bench, vide its order dated May 04, 2023, and the Scheme became effective from the appointed date i.e. July 01, 2022.

To give effect to the capital reduction, ZFL had cancelled and extinguished 69,89,67,400 number of shares with face value of INR 10 each in their books for the quarter ended March 31, 2023. Accordingly, the Company had reduced its carrying value of investment in ZFL by INR 698.97 crores and loss arising on the same has been disclosed under exceptional items in profit and loss statement by the Company in the previous financial year.

6. In case of Subsidiary (MCFL) recognized urea subsidy income of INR 29.14 crores during the year ended March 31, 2021, 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 the Company 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, the management, 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.
7. 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.



8. During the year ended March 31, 2020, a remuneration of INR 0.81 crores was paid to its then Managing Director in accordance with ordinary resolution but 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. The Company, now proposes to obtain the shareholders resolution for waiver of recovery of remuneration paid to the then Managing Director without obtaining the lenders consent.

9. (i) In respect of a Subsidiary Company located outside India (ATD), The Board of Directors of the Company at its meeting held on March 31, 2023 has approved writing off ICD along with interest thereon and impairment of equity investment along with liquidation and winding up of operation, subject to the approval of Reserve Bank of India and other Regulatory Authorities as it was not conducting any business since May, 2021. Further, the Company does not envisage any viable business in the near future as well.

Consequently, Subsidiary Company (ATD) has changed the basis of preparing its financial statement from going concern to liquidation basis.

Further, during the year ended March 31, 2023 the Company has written off of Loans and Interest Receivable of INR 2.31 and 1.13 crores respectively in its standalone financials.

(ii) In respect of a joint venture, whose Special purpose financial statements, other financial information have been reviewed as per SA – 800 (Audit of special considerations/audit of financial statements prepared in accordance with special purpose frameworks issued by ICAI) by their respective independent auditors.

(iii) During the year ended March 31, 2023, The Company has sold 4,00,000 Equity shares of ZFL and consequently ZFL ceased to be the wholly owned Subsidiary of the Company.

10. Previous period/year figures have been re-grouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.



Date: August 09, 2023

Place: Bengaluru

For and on behalf of Board of Directors

Nitin M Kantak  
Executive Director  
DIN: 08029847



K. P. RAO  
H.N. ANIL  
MOHAN R LAVI

K. VISWANATH  
S. PRASHANTH  
P. RAVINDRANATH

Phone : 080 - 25587385 / 25586814  
Fax : 080 - 25594661  
E-mail : info@kprao.co.in

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

**To  
The Board of Directors of  
Zuari Agro Chemicals Limited**

**Report on the audit of the Standalone Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Zuari Agro Chemicals Limited (the "company") for the quarter ended June 30, 2023 (The "Statement") attached herewith, 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")

In our Opinion and to the best of our information and according to the explanations given to us, the Statement:

- is presented in accordance with the requirements of the Listing Regulations in this regard; and
- gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the quarter ended June 30,2023.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of The Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



**Branches**

Hyderabad : 3rd Floor, D1, 6-3-652, Kautilya, Somajiguda, Hyderabad - 500 082. Ph.: 040-23322310

Mysore : 74, 2nd Main, First Stage, Vijayanagar, Mysore - 570 017. Ph.: 0821-4271908

Chennai : Flat 2-A, Second Floor, Shruthi 3/7, 8th Cross Street, Shastrinagar, Adayar, Chennai - 600 020. Ph.: 044- 24903137 / 45511564

**Emphasis of Matters**

- a. We draw attention to Note 4 of the accompanying standalone financial results, regarding sale and transfer of Goa fertilizer plant and associated business to PPL which had been consummated on June 01, 2022 and recognized the pre-tax gain for the period ended June 30, 2022 as exceptional item in the financial statement of the Company.

We draw attention to Note 5 of the accompanying standalone financial results, Zuari Farmhub Limited (ZFL), a subsidiary of the Company, had issued 78,55,60,000 equity shares of INR 10 each by way of conversion of unsecured compulsory convertible debentures (CCD's). And further during the quarter ended June 30, 2022, ZFL had filed before NCLT, Scheme for Reduction of its Share Capital ("Scheme") which has been approved by NCLT, Mumbai Bench, vide its order dated May 04, 2023, and the Scheme has become effective from the appointed date i.e. July 01, 2022.

To give effect to the capital reduction, ZFL had cancelled and extinguished 69,89,67,400 number of shares with face value of INR 10 each in their books. Accordingly, the Company has reduced its carrying value of investment in ZFL by INR 698.97 crores and loss arising on the same has been disclosed under exceptional items in profit and loss statement by the Company.

- b. We draw attention to Note 9(i) of the accompanying standalone financial results, Adventz Trading DMCC, foreign subsidiary of the Company, The Board of Directors of the Company at its meeting held on 31st March, 2023 has approved the liquidation and winding up of operation, subject to the approval of Reserve Bank of India and other Regulatory Authorities as it was not conducting any business since May, 2021. Further, the Company does not envisage any viable business in the near future as well. Hence, during the year ended March 31, 2023 the Company has written off the investment made in such subsidiary along with the Loans and Interest Receivable from the subsidiary in its standalone financials.

Our opinion is not modified in respect of this matter.

**Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance



with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls. That were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks. and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- d. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained. Whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results such



disclosures are inadequate, to modify our opinion. Our opinions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

*Prashanth S*

**Prashanth S**  
Partner  
Membership Number: 228407



UDIN: 23228407BGXGSN5442

Place: Bangalore  
Date: August 09, 2023

K. P. RAO  
H.N. ANIL  
MOHAN R LAVI

K. VISWANATH  
S. PRASHANTH  
P. RAVINDRANATH

Phone : 080 - 25587385 / 25586814  
Fax : 080 - 25594661  
E-mail : info@kprao.co.in

**Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To**  
**The Board of Directors of**  
**Zuari Agro Chemicals Limited**

**Opinion**

We have audited the accompanying Statement of quarterly and year to date Consolidated Ind AS Financial Results of Zuari Agro Chemicals Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint venture for the quarter ended June 30, 2023 ("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 ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements/financial results/financial information of the subsidiaries and joint venture, the Statement:

- a. includes the results of the following entities (to indicate list of entities included in the consolidation):

1	Zuari Agro Chemicals Limited
<b>Subsidiaries</b>	
2	Mangalore Chemicals and Fertilizers Limited (MCFL)
3	Adventz Trading DMCC (Not considered for Consolidation (Refer note: 8(i)))
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)

- b. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- c. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income and other financial information of the Group for the quarter ended June 30, 2023 and consolidated



**Branches**

Hyderabad : 3rd Floor, D1, 6-3-652, Kautilya, Somajiguda, Hyderabad - 500 082. Ph.: 040-23322310

Mysore : 74, 2nd Main, First Stage, Vijayanagar, Mysore - 570 017. Ph.: 0821-4271908

Chennai : Flat 2-A, Second Floor, Shruthi 3/7, 8th Cross Street, Shastrinagar, Adayar, Chennai - 600 020. Ph.: 044- 24903137 / 45511564

net loss and other comprehensive loss and other financial information of the Group for the year ended June 30, 2023.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its joint venture in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient appropriate to provide a basis for our opinion

**Emphasis of Matters**

- a. We draw attention to Note 6, which states that in case of a Subsidiary Company (MCFL), MCFL had recognized urea subsidy income of INR 29.14 crores considering that benchmarking of its cost of production of urea using Naptha with that of gas based urea manufacturing units is arbitrary and for which the MCFL has filed a writ petition against the Department of Fertilizers before the Hon'ble High court of Delhi. Based on legal opinion obtained, the management of MCFL believes that the criteria for recognition of subsidy revenue are met.

We draw attention to Note 5 of the accompanying financial results, Zuari Farmhub Limited (ZFL), a subsidiary of the Company, had issued 78,55,60,000 equity shares of INR 10 each by way of conversion of unsecured compulsory convertible debentures (CCD's). And further during the quarter ended June 30, 2022, ZFL had filed before NCLT, Scheme for Reduction of its Share Capital ("Scheme") which has been approved by NCLT, Mumbai Bench, vide its order dated May 04, 2023, and the Scheme has become effective from the appointed date i.e. July 01, 2022.

To give effect to the capital reduction, ZFL had cancelled and extinguished 69,89,67,400 number of shares with face value of INR 10 each in their books. Accordingly, the Company has reduced its carrying value of investment in ZFL by INR 698.97 crores and loss arising on the same has been disclosed under exceptional items in profit and loss statement by the Company.

- b. We draw attention to Note 9(i), Adventz Trading DMCC, foreign subsidiary of the Company, The Board of Directors of the Company at its meeting held on 31st March, 2023 has approved the liquidation and winding up of operation, Subject to the approval of Reserve Bank of India and other Regulatory Authorities as it was not conducting any business since May, 2021. Further, the Company does not envisage any viable business in the near future as well.



Consequently, Subsidiary Company (ATD) has changed the basis of preparing its financial statement from going concern to liquidation basis hence it has not been considered for the purpose of Consolidation of the Company which has been prepared on going concern basis.

- c. We draw attention to Note 9(iii), that during the year ended March 31, 2023, The Company has sold 4,00,000 Equity shares of ZFL and consequently ZFL ceased to be the wholly owned Subsidiary of the Company.

Our opinion is not modified in respect of this matter.

### **Management's Responsibilities for the Consolidated Financial Results**

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net loss and other comprehensive loss and other financial information of the Group including its joint venture in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities: selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern

, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture is also responsible for overseeing the financial reporting process of the Group and of its joint venture.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an



auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- d. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results (refer our note on Material Uncertainty Related to Going Concern above) or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- f. Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its joint venture of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the



Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence. and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CJR/CFD/CMD I/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India wider Regulation 33 (8) of the Listing Regulations, to the extent applicable.

#### **Other Matter**

The accompanying Statement includes the audited financial results/statements and other financial information, in respect of:

- One subsidiary, whose financial results/statements include total revenues of INR 227.31 crores, total net profit/(loss) after tax of INR 1.97 crores, total comprehensive Income/(loss) of INR 1.97 crores, for the quarter ended June 30, 2023, as considered in the Statement audited by us.
- One subsidiary, whose financial results/statements total revenues of INR 958.03 crores, total net profit after tax of INR 49.29 crores and total comprehensive Income of INR 48.94 crores, for the quarter and the year ended June 30, 2023, as considered in the Statement which has been audited by their respective independent auditors.
- one joint venture, whose special purpose financial results/statements include Group's share of net profit / (loss) of INR (34.05) crores and Group's share of total comprehensive income of INR (0.13) crores, for the quarter ended June 2023, as considered in the Statement, whose special purpose financial results/ financial statements, other financial information have been audited as per SA - 800 (Audit of special considerations/audit of financial statements prepared in accordance with special purpose frameworks issued by ICAI) by their respective independent auditors.

The independent auditor's report on the financial statements/financial results/financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.



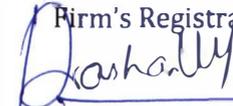
One of the subsidiaries is located outside India whose financial results/ financial statements and other financial information have been prepared on the basis of liquidation basis instead of going concern.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Management.

For **K.P. Rao & Co**

Chartered Accountants

Firm's Registration No. 003135S

  
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**Prashanth S**

Partner

Membership Number: 228407



UDIN: 23228407BGXGS06928

Place: Bangalore

Date: August 09, 2023