


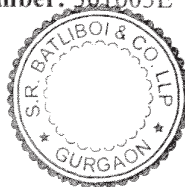
Limited Review Report

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

1. We have reviewed the accompanying statement of unaudited financial results of Zuari Agro Chemicals Limited ('the Company') for the quarter ended June 30, 2014 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. 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.
3. *The Company has revised the useful life of its fixed assets except for plant and machinery, which have been depreciated at the rates prescribed in schedule XIV of the Companies Act, 1956 pending determination of depreciation as per Companies Act, 2013 effective from April 1, 2014. The impact of the same will be accounted for once such determination is completed and upon which we are unable to comment on including consequential effects, if any, the accompanying financial results.*
4. Based on our review conducted as above, *except for the possible effects of the observations stated in para 3 above*, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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


per Anil Gupta
Partner
Membership No.: 87921

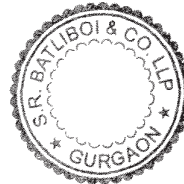


Place: Gurgaon
Date: July 30, 2014

ZUARI AGRO CHEMICALS LIMITED
 Regd. Office : Jai Kisaan Bhawan, Zuarinagar, Goa -403 726
UNAUDITED FINANCIAL RESULTS FOR PERIOD ENDED 30TH JUNE 2014

(Rs in Crores except where otherwise stated)

PART-I		Stand-alone Results			
Sr No	Particulars	3 Months Ended 30/06/2014	3 Months Ended 31/03/2014	3 Months Ended 30/06/2013	Year Ended 31/03/2014
		Unaudited	Audited (Refer Note No.4 below)	Unaudited	Audited
1	Income from Operations				
	(a) Net Sales/Income from Operations (net of excise duty)	1,029.46	1,487.43	727.10	5,175.90
	(b) Other Operating Income	4.45	1.57	2.50	21.15
	Total income from operations (net)	1,033.91	1,489.00	729.60	5,197.05
2	Expenses				
	(a) Cost of materials consumed	509.20	731.76	128.05	2,358.64
	(b) Purchase of stock-in-trade	558.63	157.04	833.42	1,783.89
	(c) Changes in inventories of finished goods, work- in-progress and stock-in-trade	(264.84)	248.79	(386.33)	(128.07)
	(d) Employee benefit expense	24.00	15.96	18.77	77.70
	(e) Depreciation and amortisation expense	5.64	5.23	4.75	20.70
	(f) Other expenses	190.38	247.90	128.56	907.88
	Total expenses	1,023.01	1,406.68	727.22	5,020.74
3	Profit from operations before other income, finance costs and exceptional items (1-2)	10.90	82.32	2.38	176.31
4	Other income	5.00	(1.40)	11.62	22.81
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	15.90	80.92	14.00	199.12
6	Finance costs	67.95	74.69	63.16	260.47
7	Profit / (Loss) from ordinary activities after finance costs and before exceptional items (5-6)	(52.05)	6.23	(49.16)	(61.35)
8	Exceptional (expenses)/income	-	147.20	(60.86)	82.05
9	Profit / (Loss) from ordinary activities before tax (7+ 8)	(52.05)	153.43	(110.02)	20.70
10	Tax (expense)/credit	14.17	(6.24)	11.68	5.44
11	Net Profit / (Loss) from ordinary activities after tax (9+10)	(37.88)	147.19	(98.34)	26.15
12	Extraordinary items (net of tax expense)	-	-	-	-
13	Net Profit / (Loss) for the period (11+ 12)	(37.88)	147.19	(98.34)	26.15
14	Paid-up equity share capital (face value Rs. 10/-)	42.06	42.06	42.06	42.06
15	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year.	-	-	-	763.59
16	Earnings per share (before extraordinary items) (of Rs.10/- each) (not annualised):				
	(a) Basic	(9.01)	35.00	(23.39)	6.22
	(b) Diluted	(9.01)	35.00	(23.39)	6.22



ZUARI AGRO CHEMICALS LIMITED
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UNAUDITED FINANCIAL RESULTS FOR PERIOD ENDED 30TH JUNE 2014

PART II

Particulars		3 Months Ended 30/06/2014	3 Months Ended 31/03/2014	3 Months Ended 30/06/2013	Year Ended 31/03/2014
		Unaudited	Audited (Refer Note No.4 below)	Unaudited	Audited
A	Particulars of Shareholding				
1	Public Shareholding				
	Number of shares	11,182,764	11,182,764	11,365,547	11,182,764
	Percentage of shareholding	26.59	26.59	27.03	26.59
2	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	Number of shares	3,581,767	4,046,767	4,258,767	4,046,767
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	11.60	13.11	13.88	13.11
	Percentage of shares (as a% of the total share capital of the company)	8.52	9.62	10.13	9.62
	b) Non - encumbered				
	Number of shares	27,293,475	26,828,475	26,433,692	26,828,475
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	88.40	86.89	86.12	86.89
	Percentage of shares (as a% of the total share capital of the company)	64.89	63.79	62.84	63.79

Particulars	Quarter Ended June 30, 2014
B	INVESTOR COMPLAINTS
Pending at the beginning of the quarter	3
Received during the quarter	17
Disposed of during the quarter	20
Remaining unresolved at the end of the quarter	0

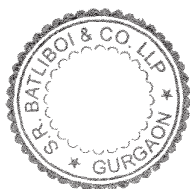


Zuari Agro Chemicals Limited

Notes to Accounts

1. Subsidy for Urea has been accounted based on Stage III parameters of the New Pricing Scheme and other adjustments as estimated in accordance with the known Policy parameters in this regard. The stage III of New Pricing Scheme which was operational for the period 1st October, 2006 to 31st March, 2010 was extended on provisional basis. Department of Fertilisers have notified on 2nd April, 2014, modified NPS-III for existing urea units for a period of one year ending March 2015.
2. Ammonia / Urea plants were under shutdown from April 18, 2014 onwards for scheduled annual turnaround and re-started the operations on May 18, 2014. The longer shutdown period was mainly to carryout jobs relating to change over of Reformer tubes, changeover of Benefield solution from arsenic to non arsenic.
3. Tax expenses include / net-off deferred tax charge / (credit). A deferred tax asset of Rs.3.52 crore has not been created in the absence of taxable profit which is available for set off against profit in subsequent period.
4. The figures of the quarter ended March 31, 2014 were the balancing figures between audited figures in respect of the full financial year upto March 31, 2014 and the unaudited published year to date figures upto December 31, 2013, being the date of end of the third quarter of that financial year which were subjected to review by the auditors.
5. (a) In accordance with Companies Act, 2013, the Company has revised the useful life of its fixed assets except for Plant & Machinery to comply with the useful life as mentioned under Schedule II of the Companies Act, 2013. As per the transition provision, the Company has adjusted Rs.4.35 crores (net of deferred tax of Rs. 2.24 crores) with the opening balances of retained earnings. Had the Company continued to follow the earlier useful life, the depreciation expense for the period would have been lower by Rs. 0.22 crores, loss before tax would have been lower by Rs.0.22 crores and the net block of the fixed assets would have been higher by Rs. 6.81Crores.

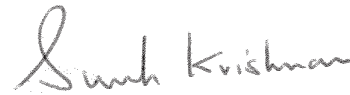
(b) In respect of plant and machinery, the Company is in the process of determining the useful life of assets in accordance with Schedule II of the Companies Act, 2013. Pending such determination, the depreciation on plant and machinery has been provided for on the basis of rates provided in Schedule XIV of the Companies Act, 1956.
6. In the previous financial year, Ministry of Agriculture, Government of India, has declared 47,635 MT (Rs. 155.61 crores) of DAP, imported by the Company as not meeting the standards specified by Fertilizer Control Order, 1985 (FCO) . In this quarter, out of the total quantity, based on the permission given by Department of Fertilisers (DOF), 31,174.15 MT has been ex-ported back and remaining material i.e. 16,460.85 MT lying in the field is being used as raw material for non-agriculture purpose. The Company has filed claim on the supplier for loss suffered by it as the contract with the supplier provides that the Company has the right to claim entire amount as compensation from the supplier in the event it is found the goods are not conforming to FCO norms by laboratory authorized by Government of India



and accordingly the Company has considered the aforesaid amount of stock as fully realizable / recoverable.

7. Under the provision of Accounting Standard (AS17), the Company operate in the single segment of fertiliser operations and therefore separate segment disclosures have not been given.
8. The auditors have conducted limited review of the financial results for the quarter ended June 30, 2014. The un-audited financial results have been recommended by the Audit Committee at its meeting held on 30th July, 2014 and approved by the Board of Directors at its meeting held on same day.
9. Previous period's / year's figures have been regrouped wherever necessary

For and on behalf of the Board of Directors



N. Suresh Krishnan
Managing Director

Dated : 30th July, 2014
Place ; Gurgaon

