adventz

November 08, 2019

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**

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held today i.e. 8th November, 2019, inter alia has considered and approved the Unaudited Financial Results for the quarter and half year ended 30th September, 2019. A Copy of the approved results alongwith Limited Review Report is enclosed herewith.

The meeting commenced at 3.30 P.M. and concluded at 5.00 P.M.

Thanking You,

Yours Faithfully,
For Zuari Agro Chemicals Limited

R.Y. Patil
Vice President & Company Secretary

Encl: As above

ZUARI AGRO CHEMICALS LTD. ★ Zuarinagar ★

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, 2019

(Rs. in Crore)

S. No	Particulars	STANDALONE						CONSOLIDATED					
		3 months ended	3 months ended	3 months ended	6 months ended	6 months ended	Year ended	3 months ended	3 months ended	3 months ended	6 months ended	6 months ended	Year ended
		30/09/2019	30/06/2019	30/09/2018	30/09/2019	30/09/2018	31/03/2019	30/09/2019	30/06/2019	30/09/2018	30/09/2019	30/09/2018	31/03/2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue												
	(a) Revenue from operations	521.80	1,147.30	1,467.70	1,669.10	2,914.53	5,126.55	1,245.46	1,873.77	2,449.52	3,119.23	4,450.04	8,102.90
	(b) Other income	8.14	10.65	18.15	18.79	33.88	68.87	5.45	13.00	12.59	18.53	29.47	45.52
	Total income	529.94	1,157.95	1,485.85	1,687.89	2,948.41	5,195.42	1,250.91	1,886.77	2,462.11	3,137.76	4,479.51	8,148.42
2	Expenses												
	(a) Cost of raw material and components consumed	196.32	453.41	823.63	649.73	1,423.30	2,838.52	593.53	759.20	1,264.80	1,352.73	2,144.21	4,401.76
	(b) Purchases of traded goods	45.22	81.77	180.71	126.99	877.76	1,560.25	66.64	164.85	340.49	231.51	1,278.90	2,288.47
	(c) Changes in inventories of finished goods, traded goods and work-in-progress	251.41	396.89	108.69	648.30	(172.90)	(464.63)	306.72	547.99	193.65	854.71	(129.82)	(544.06)
	(d) Employee benefits expense	25.88	25.72	25.76	51.60	50.40	100.66	44.85	45.61	44.30	90.46	87.99	175.62
	(e) Depreciation and amortisation expense	15.16	14.14	11.18	29.30	22.07	45.50	27.41	25.74	21.43	53.15	42.15	87.46
	(f) Finance costs	125.29	118.96	87.19	244.25	171.33	303.36	154.71	154.28	112.36	308.99	228.79	487.90
	(g) Other expenses	126.11	191.36	261.07	317.47	499.95	946.29	284.84	319.27	458.35	600.11	819.70	1,544.49
	Total expenses	785.39	1,282.25	1,498.23	2,067.64	2,872.49	5,429.85	1,478.74	2,012.94	2,435.54	3,491.68	4,472.00	8,363.64
3	Profit / (Loss) before exceptional items and tax (1-2)	(255.45)	(124.30)	(12.38)	(379.75)	(24.04)	(234.43)	(227.83)	(126.09)	26.57	(353.92)	7.51	(215.22)
4	Exceptional items	-	-	-	-	-	11.62	-	-	-	-	-	11.62
5	Share of profit of joint venture							16.07	3.16	30.43	19.23	36.99	56.35
6	Profit / (Loss) before tax (3+4+5)	(255.45)	(124.30)	(12.38)	(379.75)	(24.04)	(222.81)	(211.76)	(122.93)	57.00	(334.69)	44.50	(148.25)
7	Tax expense/ (credit)												
	(a) Current tax	-	-	-	-	-	(14.93)	8.11	-	9.59	8.11	9.59	(0.96)
	(b) Deferred tax charge/ (credit)	-	-	(6.95)	-	(10.30)	3.27	6.21	0.17	0.44	6.38	(5.86)	7.85
	Income tax expense/ (credit)	-	-	(6.95)	-	(10.30)	(11.66)	14.32	0.17	10.03	14.49	3.73	6.89
8	Profit / (Loss) for the period/year (6-7) (a)	(255.45)	(124.30)	(5.43)	(379.75)	(13.74)	(211.15)	(226.08)	(123.10)	46.97	(349.18)	40.77	(155.14)
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	0.64	(0.10)	0.71	0.51	2.69	(0.40)	0.70	(0.56)	0.77	0.14	2.94	(1.56)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	(0.20)	-	(0.94)	0.14	(0.03)	0.16	(0.27)	0.13	(1.03)	0.55
	Net (loss)/gain on FVTOCI financial instruments	(7.93)	(6.13)	(8.28)	(14.03)	(18.93)	(28.78)	(7.90)	(6.13)	(8.28)	(14.03)	(18.93)	(28.78)
	Share of OCI of joint ventures							(0.54)	(0.36)	(0.46)	(0.86)	(0.91)	(0.93)
	B Items that will be reclassified to profit or loss												
	Share of OCI of joint ventures							-	-	7.33	-	-	-
	Exchange differences on translation of foreign operations							3.44	(0.44)	0.19	3.00	13.79	7.32
	Total Other Comprehensive Income/(loss) (b)	(7.29)	(6.23)	(7.82)	(13.52)	(17.18)	(29.04)	(4.29)	(7.33)	(0.72)	(11.62)	(4.14)	(23.00)
10	Total Comprehensive Income/(loss) for the period/year (a+b)	(262.74)	(130.53)	(13.25)	(393.27)	(30.92)	(240.19)	(230.37)	(130.43)	46.25	(360.80)	36.63	(178.54)
11	Profit attributable to:												
	Owners of the equity							(236.48)	(123.08)	33.31	(359.56)	28.95	(170.58)
	Non-controlling interest							10.40	(0.02)	13.66	10.38	11.82	15.44
	Other comprehensive income attributable to:												
	Owners of the equity							(4.32)	(7.19)	(0.74)	(11.51)	(4.22)	(23.35)
	Non-controlling interest							0.03	(0.14)	0.02	(0.11)	0.07	(0.35)
	Total comprehensive income attributable to:												
	Owners of the equity							(240.80)	(130.27)	32.57	(371.07)	24.73	(193.63)
	Non-controlling interest							10.43	(0.16)	13.68	10.27	11.90	15.09
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						391.60						1,227.58
14	Earnings/ (Loss) per share (of Rs. 10/- each) (not annualised):												
	(a) Basic (Rs.)	(60.74)	(29.55)	(1.29)	(90.29)	(3.27)	(50.20)	(56.23)	(29.26)	7.92	(85.49)	6.88	(40.56)
	(b) Diluted (Rs.)	(60.74)	(29.55)	(1.29)	(90.29)	(3.27)	(50.20)	(56.23)	(29.26)	7.92	(85.49)	6.88	(40.56)

ZUARI AGRO CHEMICALS LTD. ★ Zuarinagar ★

S.R. BATLIBOI & CO. ★ GURUGRAM

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, 2019 (Unaudited)	As at March 31, 2019 (Audited)	As at September 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)
Assets				
Non-current assets				
(a) Property, plant and equipment	577.24	520.27	1,769.79	1,707.31
(b) Capital work-in-progress	128.18	119.38	171.83	153.56
(c) Investment property	3.62	3.62	3.62	3.62
(d) Intangible assets	20.29	20.63	122.65	124.53
(e) Intangible assets under development	-	-	0.64	0.39
(f) Investments in joint ventures			920.27	898.92
(g) Financial assets				
(i) Investments	860.23	868.35	19.77	33.80
(ii) Loans	6.36	6.20	13.12	12.20
(iii) Others	8.00	16.30	8.14	16.46
(h) Deferred tax assets (net)	88.95	88.95	88.95	88.95
(i) Other non-current assets	65.83	64.95	108.44	82.22
(j) Income tax assets (net)	53.05	52.98	53.05	55.45
	1,811.75	**1,761.63**	**3,280.27**	**3,177.41**
Current assets				
(a) Inventories	411.69	1,228.35	694.31	1,765.28
(b) Financial assets				
(i) Investments	-	-	0.00	-
(ii) Trade receivables	1,426.93	2,408.66	2,529.32	3,906.16
(iii) Cash and cash equivalents	100.81	7.09	284.45	49.89
(iv) Bank balances other than (iii) above	11.46	26.54	151.87	34.60
(v) Loans	1.73	1.54	1.34	1.30
(vi) Others	66.54	118.08	74.37	121.20
(c) Other current assets	229.75	271.80	327.17	352.93
	2,248.91	**4,062.06**	**4,062.83**	**6,231.36**
Assets held for sale	0.05	-	0.05	-
	2,248.96	**4,062.06**	**4,062.88**	**6,231.36**
Total assets	**4,060.71**	**5,823.69**	**7,343.15**	**9,408.77**
Equity and liabilities				
Equity				
(a) Equity share capital	42.06	42.06	42.06	42.06
(b) Other equity	(1.68)	391.60	859.40	1,227.88
Equity attributable to equity holders of the parent company			**901.47**	**1,269.94**
(c) Non-controlling interests			394.75	399.55
Total equity	**40.38**	**433.66**	**1,296.22**	**1,669.49**
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	72.73	597.73	331.20	868.40
(ii) Others	0.31	0.66	4.66	6.13
(b) Provisions	0.57	0.58	15.57	16.99
(c) Deferred tax liabilities (net)	-	-	23.81	17.55
(d) Other non-current liabilities	0.77	0.85	0.77	0.85
	74.38	**599.82**	**376.01**	**909.92**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	1,679.20	2,672.57	2,803.86	4,065.71
(ii) Trade payables				
a) total outstanding dues of micro enterprises and small enterprises	4.19	5.37	9.42	8.24
b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,258.01	1,491.55	1,666.71	1,948.38
(iii) Others	943.65	457.53	1,105.42	619.68
(b) Other current liabilities	35.49	139.70	46.22	153.39
(c) Liabilities for current tax (net)	-	-	0.79	-
(d) Provisions	25.41	23.49	38.51	33.96
	3,945.95	**4,790.21**	**5,670.93**	**6,829.36**
Total liabilities	**4,020.33**	**5,390.03**	**6,046.94**	**7,739.28**
Total equity and Liabilities	**4,060.71**	**5,823.69**	**7,343.15**	**9,408.77**

ZUARI AGRO CHEMICALS LTD. ★ Zuarinagar ★

S.R. BATLIBOI & CO. LLP

ZUARI AGRO CHEMICALS LIMITED

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

STATEMENT OF UNAUDITED CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019

(Rs. In Crores)

	Particulars	Standalone		Consolidated	
		6 months Ended September 30, 2019 (Unaudited)	6 months ended September 30, 2018 (Unaudited)	6 months September 30, 2019 (Unaudited)	6 months September 30, 2018 (Unaudited)
A	**Cash flow from operating activities:**				
	(Loss) before tax	(379.75)	(24.04)	(334.69)	44.50
	Share of (profit) of a joint venture partner			(19.23)	(36.99)
	Adjustments to reconcile (loss) before tax to net cash flows:				
	Depreciation of property, plant and equipment	28.83	21.50	51.11	40.09
	Amortisation of intangible assets	0.47	0.57	2.04	2.06
	Loss on disposal of property, plant and equipment (net)	0.59	0.48	1.14	3.01
	Impairment of capital work-in-progress	-	3.67	-	3.67
	Excess provision / unclaimed liabilities / unclaimed balances written back	(6.08)	-	(6.56)	(0.05)
	Bad debts, claims and advances written off	8.35	-	8.35	-
	Provision for doubtful debts, claims and advances	12.16	-	12.16	-
	Subsidy claims written off	0.79	1.39	0.79	1.39
	Incentive under packing scheme incentive	(0.09)	(0.09)	(0.09)	(0.09)
	Unrealized foreign exchange fluctuation loss	5.81	8.88	25.68	50.80
	Interest expense	220.13	147.47	265.16	193.92
	Interest income	(0.83)	(23.13)	(5.92)	(23.85)
	Dividend income	(6.42)	(6.31)	(0.02)	(0.02)
	Operating profit / (loss) before working capital adjustments	**(116.04)**	**130.39**	**(0.08)**	**278.44**
	Working capital adjustments :				
	Increase in provisions	2.41	1.46	3.27	2.59
	Increase /(decrease) in trade payables and other liabilities	(366.78)	440.48	(432.56)	476.63
	Decrease in trade receivables	968.78	0.79	1,357.99	104.27
	(Increase) / decrease in inventories	816.67	(210.41)	1,070.97	(152.04)
	(Increase) /decrease in other assets and financial assets	66.48	(102.94)	44.68	(74.72)
	(Increase) / decrease in loans and advances	(0.26)	6.28	(0.98)	(3.37)
		1,487.30	**135.66**	**2,043.37**	**353.36**
	Cash Generated From Operations	**1,371.26**	**266.05**	**2,043.29**	**631.80**
	Less : Income tax paid (net of refunds)	(0.07)	9.05	(4.92)	(0.06)
	Net cash flow from operating activities (A)	**1,371.19**	**275.10**	**2,038.37**	**631.74**
B	**Cash flow from investing activities:**				
	Purchase of property, plant and equipment, including intangible assets, CWIP and capital advances	(14.89)	(33.47)	(53.35)	(58.62)
	Proceeds from sale of property, plant and equipment	0.32	0.25	0.32	0.34
	Purchase of non-current investments	(5.91)	-	-	-
	Purchase of current investments	-	-	(0.00)	-
	Investment in bank deposits (having original maturity of more than 3 months)	18.93	(11.61)	(113.05)	(11.55)
	Interest received	23.89	15.18	26.89	13.16
	Dividend received	6.42	6.31	0.02	0.02
	Net cash flow from / (used in) investing activities (B)	**28.76**	**(23.34)**	**(139.17)**	**(56.65)**
C	**Cash flow from financing activities:**				
	Proceeds from long term borrowings	0.87	280.02	3.03	315.02
	(Repayment) of long term borrowings	(119.07)	(64.57)	(146.72)	(81.05)
	(Repayment) of lease liability	(6.13)	-	(8.58)	-
	Proceeds from short term loans	2,137.88	2,813.06	2,131.42	2,247.80
	(Repayment) of short term loans	(3,130.71)	(3,155.64)	(3,399.19)	(2,927.35)
	Dividend paid on equity shares	-	-	(5.45)	(11.85)
	Dividend distribution tax paid	-	-	(1.12)	(1.14)
	Interest paid	(189.08)	(139.34)	(238.03)	(189.58)
	Net cash flow (used in) financing activities (C)	**(1,[illegible].24)**	**(266.47)**	**(1,664.64)**	**(648.15)**
D	**Net (decrease)/increase in cash and cash equivalents (A + B + C)**	**93.71**	**(14.71)**	**234.56**	**(73.06)**
	Cash and cash equivalents at the beginning of the period	7.09	33.49	49.89	147.39
	Cash and cash equivalents at the period end	**100.81**	**18.78**	**284.45**	**74.33**
	Cash and cash equivalents				
	Balances with banks				
	- on current accounts	18.23	18.49	58.61	61.02
	- on cash credit accounts	82.52	0.28	82.52	0.28
	- Deposits with original maturity of less than 3 months	-	-	143.24	13.00
	Cash on hand	0.05	0.01	0.08	0.03
	Cheques on hand	0.00	0.00	0.00	0.00
	Cash and cash equivalents	**100.81**	**18.78**	**284.45**	**74.33**

ZUARI AGRO CHEMICALS LTD. ★ Zuarinagar ★

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

Notes:

1. The above unaudited standalone and unaudited consolidated Ind AS financial results of Zuari Agro Chemicals Limited ("the Company") and the Group comprising its Subsidiaries and its Joint Ventures (including Joint venture's subsidiary and associates), for the quarter ended on September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 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 8, 2019. 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 qualified report on the above results.

2. These unaudited standalone and unaudited consolidated Ind AS 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.

3. The Company and the Group has adopted Ind AS 116 "Leases" effective April 1, 2019 and applied the standard to its Leases using the modified retrospective approach. Accordingly, comparative information has not been restated. As on April 1, 2019, Right of use asset at an amount equivalent to the lease liability have been recognised and consequently there has been no adjustment to the opening balance of retained earnings as on April 1, 2019.

   In the Statement of profit and loss for the current quarter and year to date from April 1, 2019 to September 30, 2019, the nature of expenses in respect of operating leases has changed from rent in previous periods to depreciation cost for the right to use asset and finance cost for interest accrued on lease liability. The adoption of this standard had no significant impact on these 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 the Board of Directors.

5. The unaudited consolidated financial results comprise the unaudited financial results of the Company and its subsidiaries, herein after referred to as "the Group" including its Joint Ventures (including Joint venture's subsidiary and associates) as mentioned below:

   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)
   b) Zuari Yoma Agri Solutions Limited (associate of PPL)

6. Vide notification number 26/ 2018 dated June 13, 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 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. 30.85 crores (net of amount eligible for recovery as subsidy), respectively. Further, during the

ZUARI AGRO CHEMICALS LTD. ★ Zuarinagar ★

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

quarter ended September 30, 2019, the Company and the Group including the Company has recognised GST input tax credit on services of Rs. 0.60 crores and Rs. 13.84 crores, and year to date from April 1, 2019 to September 30, 2019 of Rs. 6.22 crores and Rs. 23.52 crores respectively.

Management, based on an 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 application of another company on similar 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. The Company has also filed a writ petition in the Hon'ble High Court of Bombay at Goa in this regard.

Accordingly, the management is confident of refund in respect of tax paid on input services and that no liability including interest, if any, would arise from the same.

During the period ended September 30, 2019, the Company has received an appropriation order dated August 19, 2019 of Rs. 26.55 crores (net of demand) towards the demand notice raised by the Department for excess refund received by the Company on account of input tax credit on services till the period March 31, 2018. The Company has already 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 application for interim relief has been filed on September 13, 2019. Basis the legal opinion obtained by the management, the Company is confident that the demand will not sustain, thereby no provision has been made in the books of account.

7. 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. On August 19, 2019 the aforesaid petition has been withdrawn and accordingly this matter has been disposed of by the NCLT.

8. During the quarter ended June 30, 2019, a settlement agreement dated June 17, 2019 was entered into between Zuari Agro Chemicals Limited (ZACL), McDowells Holdings Limited (MHL) and Mangalore Chemicals and Fertilizers Limited (MCFL). Zuari fertilizers and Chemicals Limited (ZFCL) (now merged with ZACL) had given an inter-corporate deposit (ICD) of Rs. 20.00 crores to MHL during the financial year ending March 31, 2012. During the financial year March 31, 2018 an amount of Rs. 13.94 crores was provided for in the books of account by ZACL against amount of Rs. 23.33 crores outstanding for ICD and accrued interest. During the financial year ending March 31, 2019, an amount of Rs.9.39 crores was received by ZACL. Vide this settlement agreement, MHL has given the shareholding rights of 1,185,151 shares of MCFL for Rs. 5.91 crores to ZACL against the amount outstanding as part settlement. The Company recognised an income of Rs. 5.91 crores in the quarter ended June 30, 2019 whereas the Company has received the aforesaid mentioned shares and shareholding rights during the quarter ended September 30, 2019.

9. The Direct Benefit Transfer (DBT) for subsidy income was rolled out by Department of Fertilizers (DoF) during the year 2016-17 and by February 1, 2018 was on a pan India basis. Due to this new subsidy transfer framework there has been a transitional delay in realisation of subsidy from DoF i.e. from the erstwhile mechanism of point of dispatch (sales to dealers/distributors by the Company) to point of retail sale (sales to beneficiary by the dealers/distributors), and which also impacted the working capital cycle of the Company. The Company obtains cash credit and short-term loans to meet its short term working capital requirements. Significant delays in receipt of subsidy from the Government of India

ZUARI AGRO CHEMICALS LTD. ★ Zuarinagar ★

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

in earlier quarters and the consequent deterioration of the Company's liquidity position, also led to elongation of the working capital cycle of our Company. Further, due to a drought like situation in our markets during last Rabi Season especially in certain parts of Maharashtra and Karnataka, our Company was unable to pass on the increase in the prices of the raw materials to the farmers which contributed to the cash flow mismatch and reduced financial flexibility of our Company.

The delays in receipt of subsidy in earlier quarters also impacted the Company's ratings and the credit ratings assigned to our long term and short term borrowings were downgraded from [ICRA] BB (Negative) to [ICRA] D and from [ICRA] A4 to [ICRA] D, due to our Company's inability to meet its obligation in relation to the payment of certain letters of credit which led to devolvement and over-utilisation of the cash credit facilities availed by our Company for more than 30 days, delay in payment of certain term loan instalments, over-utilisation of certain fund based facilities availed by our Company. Also, two of lenders have recalled the borrowing facilities availed by the Company on account of downgrade of ratings. Due to above mentioned downgrade of the Company's ratings, non-availability of non-fund based limits, the Company was not able to procure the key raw materials which led to stoppage of Urea and NPK plants. However, the Company was able to liquidate its majority of inventories.

The Company is in the process of undertaking certain long-term strategic initiatives and have also assessed the financial position considering its business projections including transforming of certain short-term loans to long term debt to repay its committed liabilities in the near future. Considering the fair market value of the underlying assets available, the Company is fully secured in relation to the payment of external debts payable by the Company and is also confident that it will be able to realize its assets and discharge its liabilities in the normal course of business.

10. The Operations of the Urea and Ammonia plant was suspended on July 4, 2019 on account of technical breakdown i.e. leakage in PG-Reboiler of CO2 Removal section of the Ammonia Plant. NPK-B Plant remained under shut down since April 27, 2019 except for that it was operated for five days i.e. from September 19, 2019 to September 23, 2019. NPK-A Plant was shut down from July 21, 2019 till August 26, 2019. The NPK-A plant resumed production on August 27, 2019 and was in operation till September 25, 2019. The Operations of all the Company's plants continue to be suspended till date.

    The Plants could not be started because of non-availability of Natural Gas, owing to nonpayment of dues to Gas Authority of India Limited (GAIL) and other key raw materials, which was due to liquidity issues, mainly arising due to delay in release of subsidy by the Department of Fertilizers (DoF) in earlier quarters and its consequential impact.

11. The unaudited standalone Ind AS financial results of the Company for the quarter September 30, 2019 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, recognises 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 recognised in the year of finalization of the prices by the GOI under the scheme. Accordingly, revenue for the quarter ended and year to date April 1, 2018 to September 30, 2018 and the year ended March 31, 2019 include additional urea concession income of Rs. 30.51 crores relating to immediately preceding financial year recognised on finalisation of escalation/de-escalation claims. The urea concession income for the period ended September 30, 2019 and the year ended March 31, 2019 have been recognized based on estimates and are pending finalisation by the GOI.

    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.

S.R. BATLIBOI & CO. LLP GURUGRAM

ZUARI AGRO CHEMICALS LTD.

12. 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 Limited (MCAP), a joint venture company, there has been a deadlock between the Company and its JV partner Mitsubishi in its rock phosphate mining project through 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 a 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 4, 2018 seeking certain relief. An order has been passed by the High Court of Singapore on August 13, 2018 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 initiated arbitration proceedings against the JV partner in accordance with the arbitration rules of the International Chamber of Commerce (ICC). The ICC, vide its order dated December 4, 2018 on an application for interim relief amended the order passed by the High Court of Singapore by allowing the respondents (i.e. Mitsubishi Corporation and MCA Phosphate Pte Limited) to exercise contractual options to purchase or sell shares of MCA Phosphates Pte. Limited in accordance with the terms of any applicable agreements. Mitsubishi Corporation has agreed not to exercise such contractual options till the final award is issued in the aforesaid arbitration. The Company has filed its claim with the arbitration tribunal on April 23, 2019 against which the hearing has taken place during September 9, 2019 to September 12, 2019. The Arbitral Tribunal based on facts and submissions has reserved the matter for passing the award.

    Basis the Company's discussion with its Counsel for arbitration, the Company is confident that the reliefs sought by the Company in its claim will be awarded in its favor by the Arbitration Tribunal constituted by ICC.

    For the year ended March 31, 2019, as per the requirement of arbitration proceedings, the valuation of MCAP investment in Fosfatos del Pacifico S.A. (FDP), the mining project company, was done by an independent valuer for the purpose of submission of the valuation report of the said investment to ICC, which indicates a value higher than the carrying value of investment in the books of the Company. Based on the report of independent valuer, impairment loss of Rs. 11.62 crores recognised for the year March 31, 2018 has been reversed in March 31, 2019 and disclosed as an exceptional income. Accordingly, exceptional items for the year ended March 31, 2019 represents write back of impairment of the Company's investment in the rock phosphate mining project (which is under development) through MCA Phosphates Pte Ltd (MCAP).

13. 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 and has incurred an expenditure on feasibility study and related expenditure amounting to Rs. 32.12 crores in earlier years. The JV Company has been incorporated and definitive agreement between the shareholders have been completed which also provides for the re-imbursement 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 with regard to the implementation of the project and has also signed a MoU for its rock phosphate requirements with an integrated Phosphate fertilizer company. 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.

ZUARI AGRO CHEMICALS LTD. ★ Zuarinagar ★

14. The Company is carrying a receivable of Rs.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, 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 Nutrient Based Subsidy rates of 2013 should be applicable. The Company has also filed writ petition at Hon'ble High Court of Delhi 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 has rejected the representation and submissions by the Company. The Company is in the process of filing writ petition to the higher authority against the order passed by DoF and is hopeful to realize the aforesaid amount, hence, no provision has been made in the accounts.

15. The unaudited consolidated Ind AS financial results include the Group's share of net loss after tax of INR 0.35 crores and INR 0.70 crores and total comprehensive income of INR 3.05 crores and INR 2.27 crores, for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019, respectively, in respect of one joint venture including its associate, both located outside India, whose financial statements and other financial information have not been subject to 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.

16. During the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019, on account of delay in clearance of raw material from the Port and on account of agreement with GAIL, the Company has incurred expenses pertaining to Demurrages and Ship to Pay of Rs. 37.59 crores and Rs. 51.08 crores respectively, which has been clubbed under cost of raw material and components consumed disclosed in Statement of Unaudited Financial results.

17. The Board at its meeting held on October 25, 2019 approved the proposal to restructure its fertilizer business with a view to monetize and consolidate all its bulk fertilizer operations. Additionally, it has decided to incorporate another Company, under the name of "Zuari FarmHub Limited", which will operate its Retail, Speciality Nutrients and the proposed FarmHub business, for which the company is also seeking investments from Strategic and /or Financial Investor's. A Committee of Board of Directors has been formed to achieve implementation of plans for the restructuring and monetization activity.

18. The Hon'ble Supreme Court of India in a judgement dated February 28, 2019 on Provident Fund addressed the principle for determining salary components that form part of Basic Salary for individuals below a prescribed salary threshold. Management is of the view that the Company has been discharging its provident fund obligations as per provident fund law and considering circular dated August 28, 2019 issued by the Employees' Provident Fund Organisation, no additional liability is expected to arise in this regard.

19. During quarter ended September 30, 2019, the Company had executed agreement for sale of land situated at Chillamatur on August 21, 2019. The sale of the asset is expected to be completed in next 2 months. Accordingly, the said land has been classified from property, plant and equipment to Assets held for sale.

    Assets classified as held for sale during the reporting period are measured at lower of its carrying amount and fair value less cost to sell at the time of reclassification. Fair value of the assets were determined using the market approach.

ZUARI AGRO CHEMICALS LTD. ★ Zuarinagar ★

20. 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.

For and on behalf of Board of Directors

Suresh Krishnan

N.Suresh Krishnan
Director
DIN: 00021965

Date: November 8, 2019
Place: New Delhi

S.R. BATLIBOI & CO. LLP
GURUGRAM

ZUARI AGRO CHEMICALS LTD.
Zuarinagar

S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

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"), joint ventures for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (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/CMD1/44/2019 dated March 29, 2019 (the "Circular") issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable except with respect to 1 joint venture, for which the respective component auditor has not responded to our review instructions including information requested of them, for discharging our duties as principal auditor pursuant to the requirements of the Circular.

4. Attention is drawn to Note 15 of unaudited consolidated financial results which reflect Group's share of net loss after tax of INR 0.35 crores and INR 0.70 crores and total comprehensive income of INR 3.05 crores and INR 2.27 crores, for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019, respectively, as considered in the Statement, in respect of one joint venture located outside India, based on its interim financial results which have not been reviewed by any auditor. These unreviewed financial results and other unreviewed financial information have been approved and furnished to us by the management. The Holding Company's management has converted such unreviewed financial results of such joint venture located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. Accordingly, we are unable to comment on the financial impact, if any, on the unaudited Consolidated financial results if the same had been reviewed.

5. Attention is drawn to Note 12 of the unaudited Consolidated financial results explaining the evaluation of recoverable amount as required under Ind AS 36 "Impairment of Assets" to assess impairment provision, if any, on the Parent Company's investment of INR 119.43 crores in the rock phosphates mining project through MCA Phosphates Pte Ltd, a joint venture company. The joint venture company has provided for diminution in the entire value of the said investment which is under arbitration. The Holding Company has, based on valuation carried by an external valuer, assessed that the indicative value is higher than its carrying amount as at March 31, 2019. However, complete details used in such valuation were not made available to us and we were unable to review the valuation report and pending such review and in absence of other sufficient

S.R. BATLIBOI & CO. LLP GURUGRAM

appropriate audit evidence, we are unable to comment on the adjustments, if any, required to be made to the unaudited Consolidated financial results, in this regard. This is a matter continuing from the previous quarter and year ended March 31, 2019.

6. The Statement includes the results of the following entities:

1.	Zuari Agro Chemicals Limited
Subsidiaries	
2.	Mangalore Chemicals and Fertilisers Limited
3.	Adventz Trading DMCC
Joint Ventures	
4.	Zuari Maroc Phosphates Private Limited
5.	Paradeep Phosphates Limited (subsidiary of Zuari Maroc Phosphates Private Limited)
6.	MCA Phosphates Pte. Limited
Associates of Joint Ventures	
7.	Fosfatos del Pacifico S.A. (associate of MCA Phosphates Pte. Limited)
8.	Zuari Yoma Agri Solutions Limited (associate of Paradeep Phosphates Limited)

7. 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 9 below, except for the possible effects of our observations in para 3, 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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.

8. We draw attention to Note 9 of the unaudited consolidated financial results, which states that there are conditions indicating the existence of material uncertainty over timely discharge of its liabilities and its consequential impact on Holding Company's ability to continue as a going concern and management's assessment that the Holding Company will be able to discharge its liabilities. These conditions are including but not limited to significant delays in receipt of subsidy from Government of India in earlier quarters, shut down of its plants having impact on Holding company's liquidity situation downgrade of credit ratings of Holding Company's long term and short term borrowings, devolvement of certain letters of credit, over-utilisation of the cash credit facilities, delay in payment of certain term loan instalments, over-utilisation of certain fund based facilities and recall of borrowing facilities by two lenders, on account of these conditions, the Holding Company has incurred cash loss during the quarter and year to date of INR 240.29 crores and INR 350.45 crores respectively. Our conclusion is not modified in respect of this matter.

9. We draw attention to Note 14 of the 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 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 unaudited Consolidated financial results. Our conclusion is not modified in respect of this matter.

10. We draw attention to Note 6 of the unaudited Consolidated financial results, regarding Goods and Services Tax ('GST') credit on input services recognized by the Group based on its assessment and on a legal opinion obtained by the Parent Company and a subsidiary and reliance placed on an order of High Court of Gujarat providing interim relief in a similar matter. The Holding Company has also filed a writ petition in the High Court of Bombay at Goa. Our conclusion is not modified in respect of this matter.

11. The accompanying Statement includes unaudited interim financial results and other unaudited financial information of one subsidiary, whose interim financial results reflect Group's share of total assets of INR

S.R. BATLIBOI & CO. LLP
GURUGRAM

4.85 crores as at September 30, 2019, and Group's share of total revenues of INR 0.01 crores and INR 1.13 crores, Group's share of total net loss after tax of INR 1.44 crores and INR 2.34 crores, Group's share of total comprehensive loss of INR 1.40 crores and INR 2.31 crores, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and net cash outflows of INR 0.27 crores for the period from April 1, 2019 to September 30, 2019, as considered in the Statement, which have been reviewed by their respective independent auditors. The Statement also includes the Group's share of net profit after tax of INR 16.42 crores and INR 19.92 crores and total comprehensive income of INR 15.92 crores and INR 19.06 crores, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, as considered in the Statement, in respect of one joint venture, whose interim financial results have been reviewed by its independent auditor. The independent auditor's reports on interim 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 subsidiary and joint venture is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

12. One of the subsidiary 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 audited by other auditor 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 S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Pravin Tulysan
Partner
Membership No.: 108044

S.R. BATLIBOI & CO. LLP GURUGRAM

UDIN: 19108044AAAAES5498

Place: New Delhi
Date: November 8, 2019

S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone 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 standalone financial results of Zuari Agro Chemicals Limited (the "Company") for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (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, 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. Attention is drawn to Note 12 of the unaudited standalone financial results explaining the evaluation of recoverable amount as required under Ind AS 36 "Impairment of Assets" to assess impairment provision, if any, on the Company's investment of INR 119.43 crores in the rock phosphates mining project through MCA Phosphates Pte Ltd, a joint venture company. The joint venture company has provided for diminution in the entire value of the said investment which is under arbitration. The Company has, based on valuation carried by an external valuer, assessed that the indicative value is higher than its carrying amount as at March 31, 2019. However, complete details used in such valuation were not made available to us and we were unable to review the valuation report and pending such review and in absence of other sufficient appropriate audit evidence, we are unable to comment on the adjustments, if any, required to be made to the unaudited standalone financial results, in this regard. This is a matter continuing from the previous quarter and year ended March 31, 2019.

5. Based on our review conducted as above, except for the possible effects of our observations in paragraph 4 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 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. We draw attention to Note 9 of the unaudited standalone financial results, which states that there are conditions indicating the existence of material uncertainty over timely discharge of its liabilities and its consequential impact on company's ability to continue as a going concern and management's assessment that the Company will be able to discharge its liabilities. These conditions are including but not limited to significant delays in receipt of subsidy from Government of India in earlier quarters, shut down of its plants having impact on company's liquidity situation, downgrade of credit ratings of Company's long term and short term borrowings, devolvement of certain letters of credit, over-utilisation of the cash credit facilities,

S.R. BATLIBOI & CO. LLP GURUGRAM

delay in payment of certain term loan instalments, over-utilisation of certain fund based facilities and recall of borrowing facilities by two lenders, on account of these conditions, the Company has incurred cash loss during the quarter and year to date of INR 240.29 crores and INR 350.45 crores respectively. Our conclusion is not modified in respect of this matter.

7. We draw attention to Note 14 of the 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 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 unaudited standalone financial results. Our conclusion is not modified in respect of this matter.

8. We draw attention to Note 6 of the unaudited standalone financial results, 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 the Company 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. Our conclusion is not modified in respect of this matter.

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

S. R. BATLIBOI & CO. LLP ★ GURUGRAM ★

per Pravin Tulysan
Partner
Membership No.: 108044

UDIN: 19108044AAAAER8408

Place: New Delhi
Date: November 8, 2019