# ZUARI AGRO CHEMICALS LIMITED

CIN-L65910GA2009PLC006177
Registered Office: Jai Kisaan Bhawan, Zuarinagar, Goa - 403 726
Website: www.zuari.in, Tel.: 0832-2592180

Dear Shareholders,

The Unaudited Standalone and Consolidated financial results of your Company for the quarter and half year ended 30th September, 2018 as approved by the Board at its meeting held on 1st November, 2018 are given below:

With Seasons Greetings to you and your families

Sd/-
Sunil Sethy
Managing Director
DIN:00244104

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018**

(Rs. in crores)

| Sr No | Particulars | STANDALONE | | | | | | CONSOLIDATED | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 3 months ended 30/09/2018 | 3 months ended 30/06/2018 | 3 months ended 30/09/2017 | 6 months ended 30/09/2018 | 6 months ended 30/09/2017 | Year ended 31/03/2018 (Restated - Refer Note 15 below) | 3 months ended 30/09/2018 | 3 months ended 30/06/2018 | 3 months ended 30/09/2017 | 6 months ended 30/09/2018 | 6 months ended 30/09/2017 | Year ended 31/03/2018 (Restated - Refer Note 15 below) |
| 1 | **Revenue** | **Unaudited** | **Unaudited** | **Unaudited** | **Unaudited** | **Unaudited** | **Audited** | **Unaudited** | **Unaudited** | **Unaudited** | **Unaudited** | **Unaudited** | **Audited** |
| | (a) Income from Operations | 1,467.70 | 1,346.83 | 1,353.58 | 2,814.53 | 2,098.02 | 4,649.96 | 2,449.52 | 2,000.52 | 2,140.76 | 4,450.04 | 3,466.01 | 7,270.86 |
| | (b) Other Income | 18.15 | 15.72 | 14.36 | 33.88 | 30.33 | 81.25 | 12.59 | 16.88 | 15.65 | 29.47 | 32.25 | 87.14 |
| | **Total Revenue** | **1,485.85** | **1,362.55** | **1,367.94** | **2,848.41** | **2,128.35** | **4,731.21** | **2,462.11** | **2,017.40** | **2,156.41** | **4,479.51** | **3,498.26** | **7,358.00** |
| 2 | **Expenses** | | | | | | | | | | | | |
| | (a) Cost of materials consumed | 823.63 | 599.76 | 581.76 | 1,423.38 | 1,006.77 | 2,203.47 | 1,264.88 | 879.33 | 873.45 | 2,144.21 | 1,602.71 | 3,475.16 |
| | (b) Purchase of stock-in-trade | 180.71 | 697.05 | 428.06 | 877.76 | 813.63 | 1,410.89 | 340.49 | 938.48 | 466.90 | 1,278.97 | 1,220.57 | 2,057.46 |
| | (c) Changes in inventories of finished goods, work - in-progress and stock -in-trade | 108.69 | (281.63) | (24.16) | (172.94) | (314.28) | (234.32) | 193.65 | (323.47) | 221.54 | (129.82) | (332.02) | (345.70) |
| | (d) Employee benefit expense | 25.76 | 24.63 | 23.18 | 50.40 | 47.70 | 93.03 | 44.38 | 43.61 | 41.82 | 87.99 | 83.18 | 163.10 |
| | (e) Depreciation and amortisation expense | 11.18 | 10.89 | 10.65 | 22.07 | 20.53 | 42.58 | 21.43 | 20.72 | 19.68 | 42.15 | 38.42 | 82.53 |
| | (f) Excise duty | - | - | (0.68) | - | 2.39 | 2.39 | - | - | (0.68) | - | 6.36 | 6.08 |
| | (g) Finance costs | 79.81 | 84.64 | 76.53 | 164.45 | 145.91 | 315.82 | 112.36 | 116.42 | 98.59 | 228.79 | 190.97 | 403.58 |
| | (h) Other expenses | 268.45 | 238.89 | 215.19 | 507.33 | 386.72 | 832.67 | 458.35 | 361.35 | 347.06 | 819.70 | 643.25 | 1,379.63 |
| | **Total expenses** | **1,498.23** | **1,374.23** | **1,310.53** | **2,872.45** | **2,109.37** | **4,666.53** | **2,435.54** | **2,036.44** | **2,068.36** | **4,471.99** | **3,453.44** | **7,221.84** |
| 3 | **Profit / (Loss) before exceptional items and tax (1-2)** | (12.38) | (11.68) | 57.41 | (24.04) | 18.98 | 64.68 | 26.57 | (19.04) | 88.05 | 7.52 | 44.82 | 136.16 |
| 4 | **Exceptional (expenses)** | - | - | - | - | - | (25.56) | - | - | - | - | - | (25.56) |
| 5 | **Share of profit of an associate and joint ventures** | | | | | | | 30.43 | 4.76 | 18.57 | 35.19 | 30.21 | 58.49 |
| 6 | **Profit / (Loss) before tax (3+4+5)** | **(12.38)** | **(11.68)** | **57.41** | **(24.04)** | **18.98** | **39.12** | **57.00** | **(14.28)** | **106.62** | **42.71** | **75.03** | **169.09** |
| 7 | **Tax expense/ (credit)** | | | | | | | | | | | | |
| | (a) Current Tax | - | - | 7.06 | - | 7.06 | 17.99 | 9.59 | - | 13.24 | 9.59 | 13.24 | 35.66 |
| | (b) MAT Credit | - | - | (7.06) | - | (7.06) | (17.99) | - | - | (7.06) | - | (7.06) | (17.99) |
| | (C) Deferred Tax Charge/ (Credit) | (6.95) | (3.35) | 21.05 | (10.30) | 10.03 | 23.79 | 0.44 | (6.29) | 25.46 | (5.86) | 13.56 | 20.59 |
| | (d) Deferred tax Charge/ (Credit) of earlier years (Net) | - | - | - | - | - | (15.00) | - | - | - | - | - | (15.00) |
| | Net Tax expense/ (credit) | (6.95) | (3.35) | 21.05 | (10.30) | 10.03 | 8.79 | 10.03 | (6.29) | 31.64 | 3.73 | 19.74 | 23.26 |
| 8 | **Net Profit / (Loss) for the period/year (6-7) (a)** | **(5.43)** | **(8.33)** | **36.36** | **(13.74)** | **8.95** | **30.33** | **46.97** | **(7.99)** | **74.98** | **38.98** | **55.29** | **145.83** |
| 9 | **Other Comprehensive income / (expense) (net of tax)** | | | | | | | | | | | | |
| | A Items that will not be reclassified to profit or loss | | | | | | | | | | | | |

adventz

# ZUARI AGRO CHEMICALS LIMITED

CIN-L65910GA2009PLC006177
Registered Office: Jai Kisaan Bhawan, Zuarinagar, Goa - 403 726
Website: www.zuari.in, Tel.: 0832-2592180

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Re-measurement gains (losses) on defined benefit plans | 0.71 | 1.98 | (0.83) | 2.69 | (0.70) | 0.64 | 0.77 | 2.16 | (1.47) | 2.94 | (1.30) | 0.39 |
| | Income tax relating to items that will not be reclassified to profit or loss | (0.25) | (0.69) | 0.29 | (0.94) | 0.25 | (0.22) | (0.27) | (0.76) | 0.51 | (1.03) | 0.45 | (0.14) |
| | Net (loss)/gain on FVTOCI financial instruments | (8.28) | (10.65) | (3.11) | (18.93) | (13.93) | (13.73) | (8.28) | (10.65) | (3.11) | (18.93) | (13.93) | (13.73) |
| | Share of OCI of an associate and joint ventures | - | - | - | - | - | - | (0.46) | (0.46) | 0.24 | (0.91) | 0.24 | 1.03 |
| | B Items that will be reclassified to profit or loss | | | | | | | | | | | | |
| | Share of OCI of an associate and joint ventures | - | - | - | - | - | - | 7.33 | 5.95 | 1.02 | 13.28 | 0.94 | (0.99) |
| | Exchange differences on translation of foreign operations | - | - | - | - | - | - | 0.19 | 0.15 | (0.01) | 0.34 | (0.01) | 0.03 |
| | Total Other Comprehensive Income/(loss) (b) | (7.82) | (9.36) | (3.65) | (17.18) | (14.38) | (13.31) | (0.72) | (3.61) | (2.82) | (4.31) | (13.61) | (13.41) |
| 10 | **Total Comprehensive Income/(loss) for the period/year (a+b)** | **(13.25)** | **(17.69)** | **32.71** | **(30.92)** | **(5.43)** | **17.02** | **46.25** | **(11.60)** | **72.16** | **34.67** | **41.68** | **132.42** |
| 11 | **Profit attributable to:** | | | | | | | 33.31 | (6.15) | 65.34 | 27.16 | 47.15 | 117.37 |
| | Owners of the equity | | | | | | | | | | | | |
| | Non-controlling interest | | | | | | | 13.66 | (1.84) | 9.64 | 11.82 | 8.14 | 28.46 |
| | **Other comprehensive income attributable to:** | | | | | | | | | | | | |
| | Owners of the equity | | | | | | | (0.74) | (3.67) | (2.62) | (4.38) | (13.43) | (13.34) |
| | Non-controlling interest | | | | | | | 0.02 | 0.06 | (0.20) | 0.07 | (0.18) | (0.07) |
| | **Total comprehensive income attributable to:** | | | | | | | | | | | | |
| | Owners of the equity | | | | | | | 32.57 | (9.82) | 62.72 | 22.77 | 33.72 | 104.03 |
| | Non-controlling interest | | | | | | | 13.68 | (1.78) | 9.44 | 11.90 | 7.96 | 28.39 |
| 12 | **Paid-up Equity Share Capital** | 42.06 | 42.06 | 42.06 | 42.06 | 42.06 | 42.06 | 42.06 | 42.06 | 42.06 | 42.06 | 42.06 | 42.06 |
| | (face value Rs. 10/- per share) | | | | | | | | | | | | |
| 13 | **Other Equity as per balance sheet of previous accounting year** | | | | | | | 631.78 | | | | | 1,422.66 |
| 14 | **Earnings/ (Loss) per share (of Rs.10/- each) (not annualised):** | | | | | | | | | | | | |
| (a) | Basic (Rs.) | (1.29) | (1.98) | 8.64 | (3.27) | 2.13 | 7.21 | 7.92 | (1.46) | 15.54 | 6.46 | 11.21 | 27.91 |
| (b) | Diluted (Rs.) | (1.29) | (1.98) | 8.64 | (3.27) | 2.13 | 7.21 | 7.92 | (1.46) | 15.54 | 6.46 | 11.21 | 27.91 |

# ZUARI AGRO CHEMICALS LIMITED

CIN-L65910GA2009PLC006177
Registered Office: Jai Kisaan Bhawan, Zuarinagar, Goa - 403 726
Website: www.zuari.in, Tel.: 0832-2592180

**STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in crores)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | As at September 30, 2018 (Unaudited) | As at March 31, 2018 (Restated - Refer Note 15 below) (Audited) | As at September 30, 2018 (Unaudited) | As at March 31, 2018 (Restated - Refer Note 15 below) (Audited) |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| (a) Property, Plant and Equipment | 473.16 | 482.15 | 1,657.50 | 1,666.77 |
| (b) Capital work-in-progress | 140.81 | 113.53 | 172.54 | 146.56 |
| (c) Investment Property | 3.62 | 3.62 | 3.62 | 3.62 |
| (d) Other Intangible Assets | 20.55 | 20.67 | 126.03 | 127.49 |
| (e) Intangible assets under development | - | - | - | - |
| (f) Investments in Joint Ventures | | | 895.83 | 848.27 |
| (g) Financial Assets | | | | |
| (I) Investments | 866.58 | 885.51 | 43.65 | 62.57 |
| (ii) Loans | 6.81 | 6.76 | 12.70 | 12.44 |
| (iii) Others | 21.10 | 17.20 | 21.70 | 17.61 |
| (h) Deferred tax assets (Net) | 101.44 | 92.08 | 101.44 | 92.08 |
| (I) Other non-current assets | 77.83 | 79.68 | 78.26 | 80.38 |
| (j) Income Tax Assets (Net) | 35.26 | 41.20 | 35.26 | 41.64 |
| **Total Non-current assets** | **1,747.16** | **1,742.40** | **3,148.53** | **3,099.43** |
| **Current assets** | | | | |
| (a) Inventories | 867.17 | 656.76 | 1,203.18 | 1,051.14 |
| (b) Financial Assets | | | | |
| (i) Trade Receivables | 2,201.36 | 2,203.54 | 3,312.21 | 3,417.86 |
| (ii) Cash and cash equivalents | 18.78 | 33.49 | 74.33 | 147.39 |
| (iii) Bank balances other than (ii) above | 20.77 | 13.06 | 40.80 | 21.30 |
| (iv) Loans | 12.33 | 17.84 | 12.29 | 8.49 |
| (v) Others | 335.10 | 300.82 | 410.84 | 421.99 |
| (c) Other current assets | 164.54 | 91.85 | 216.10 | 123.44 |
| **Total Current assets** | **3,620.05** | **3,317.36** | **5,269.75** | **5,191.61** |
| **Total Assets** | **5,367.21** | **5,059.76** | **8,418.28** | **8,291.04** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| (a) Equity share capital | 42.06 | 42.06 | 42.06 | 42.0 |
| (b) Other equity | 600.86 | 631.78 | 1,438.75 | 1,422.67 |
| (c) Non-controlling interests | - | - | 401.93 | 390.03 |
| **Total Equity** | 642.92 | 673.84 | 1,882.74 | 1,854.76 |
| **LIABILITIES** | | | | |
| Non-current liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (I) Borrowings | 552.20 | 323.42 | 757.00 | 520.29 |
| (ii) Other financial liabilities | 0.39 | 0.80 | 2.47 | 5.42 |

| | | | | |
|---|---|---|---|---|
| (b) Provisions | 0.46 | 0.49 | 15.97 | 15.37 |
| (c) Deferred tax liabilities(Net) | - | - | 17.91 | 13.38 |
| (d) Other Non current liablities | 0.94 | 1.02 | 0.94 | 1.02 |
| **Total Non-current liabilities** | **553.99** | **325.73** | **794.29** | **555.48** |
| **Current liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 1,830.89 | 2,701.54 | 2,658.16 | 3,834.12 |
| (ii) Trade Payables | | | | |
| a) total outstanding dues of micro enterprises and small enterprises | 2.01 | 1.50 | 7.59 | 2.55 |
| b) total outstanding dues of creditors other than micro enterprises and small enterprises | 2,007.66 | 919.50 | 2,602.81 | 1,477.50 |
| (iii) Other financial liabilities | 236.53 | 232.00 | 364.41 | 337.30 |
| (b) Other current liabilities | 55.61 | 166.84 | 61.65 | 181.79 |
| (c) Tax Liabilities (Net) | 14.76 | 14.76 | 14.79 | 14.76 |
| (d) Provisions | 22.84 | 24.05 | 31.84 | 32.78 |
| **Total Current liabilities** | **4,170.30** | **4,060.19** | **5,741.25** | **5,880.80** |
| Total Equity and Liabilities | **5,367.21** | **5,059.76** | **8,418.28** | **8,291.04** |

**Notes:**

1. The above un-audited standalone and consolidated financial results of Zuari Agro Chemicals Limited ('The Company"), for the quarter and six months period ended on September 30, 2018 have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company in their respective meetings held on November 01, 2018. The Statutory Auditors have conducted a "Limited Review" of these results in terms of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. The standalone &consolidated financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") specified in the Companies (Indian Accounting Standards) Rules 2015 (as amended) under section 133 of the Companies Act 2013 (the "accounting principles generally accepted in India").

3. Ind AS 115 "Revenue from Contracts with Customers", mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018 in standalone and consolidated financial results. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the standalone and consolidated financial results.

4. The certificate of CEO and CFO in terms of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of above results have been placed before Board of Directors.

5. The financial results of the following entities have been consolidated with the financial results of the Company, herein after referred to as "the Group"

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

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

   Associate of Joint Ventures:
   a) Fosfatos del Pacifico S.A. (FDP) (associate of MCAP)

6. Revenue from operations in the standalone and consolidated financial results for the six months period ended September 30, 2018 and the year ended March 31, 2018 are not comparable with six months period ended September 30, 2017, since revenue in this period and year ended is net of Goods and Service Tax (GST) effective July 1, 2017, whereas Excise Duty formed part of other expenses in the six months period ended September 30, 2017 till June 30, 2017.

7. Vide notification number 26/ 2018 dated June 13, 2018, the department has amended definition of "Net Input Tax Credit (ITC)" for the purpose of GST refund on account of inverted duty structure with effect from July 01, 2017 to include ITC availed only on inputs which excludes input services. The Company and the Group including the Company has claimed GST refund with respect to input services effective July 01, 2017 till April 17, 2018 which aggregates to Rs. 18.79 crores and Rs.28.57 crores (net of amount eligible for recovery as subsidy) respectively. Further, during the current quarter, the Company and the Group including the Company has recognized GST input tax credit of Rs. 10.85 crores and Rs. 20.47 crores respectively (including Rs. 5.57 crores and Rs. 10.11 crores, respectively, relating to the quarter ended June 30, 2018) on input services for the six months period ended September 30, 2018.

   Management, based on a tax opinion obtained by the group and also relying on similar fact pattern in an order dated September 18, 2018 of the High Court of Gujarat in respect of an another application of another company on this matter wherein ad-interim relief was granted, is of the view that to the extent the aforesaid Notification denies grant of refund of unutilized tax credit in respect of tax paid on input services is ultra vires to the Central Goods and Services Tax Act, 2017 and has also filed a writ petition in the High Court of Bombay at Goa and is confident of getting the refund claims.

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

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

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

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

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

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

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

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

12. The Urea, Ammonia and Utilities plants of the Company have been shutdown from October 19, 2018 to November30, 2018 for annual maintenance. The Ammonia, Urea and ABC plants of MCFL, a subsidiary, were shutdown from April 25, 2018 to June 10, 2018 for planned maintenance activities.

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

    The Company initiated legal proceedings before the High Court of Singapore on June 04, 2018 seeking certain relief. The matter was heard on August13, 2018 and the Company has been advised that, an order has been passed by the High Court of Singapore mandating that inter alia no steps should be taken: i) in respect of any matter specified as a super-majority decision in the shareholders agreement dated December 20, 2011, without the prior written consent of the Company, to, among other things, preserve the Company's original investment; and ii) no steps should be taken to change the shareholding of MCAP or to amend the Articles of Association of MCAP or to act in any manner inconsistent with the shareholders agreement mentioned above. The Company has also initiated arbitration proceedings against the JV partner in accordance with the arbitration rules of the International Chamber of Commerce (ICC) and has also moved application seeking interim relief with ICC for continuation of the reliefs granted by the High Court of Singapore.

14. The Company is planning to set up a Phosphatic fertilizer plant in Ras-Al-Khaimah (RAK) in United Arab Emirates in collaboration with Ras-Al-Khaimah Maritime City Free Zone Authority. Expenditure on feasibility study and related expenditure amounting to Rs. 32.12 crores have been carried forward, pending decision on issue of shares to the Company in the proposed Joint Venture project. The JV Company has been incorporated and definitive agreement between the shareholders have been completed which also provides for the re-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 and rock phosphate suppliers with regard to the implementation of the project. The current license of the JV Company for the free zone was due for renewal on annual basis. The process for extension of license has been initiated by the JV Company.

15. In respect of the Company's investment of Rs.119.43 crores in the rock phosphate mining project (which is under development) through MCA Phosphate Pte Ltd, a joint venture company, the Company had not considered any impairment loss till the time of finalization of the financial statements for the year ended March 31, 2018.

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

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

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

(Rs. in crores)

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

*Basic & diluted

16. Exceptional items for the year ended March 31, 2018 included the above results represent provision made against Inter Corporate Deposits including interest accrued and impairment of the Company's investment in the rock phosphate mining project (which is under development) through MCA Phosphate Pte Ltd (Refer note 14 above).

17. The Company is carrying a receivables of Rs. 19.49 crore for the period February 2013 & March 2013 on account of accrual of subsidy income at higher rate in comparison to rate at which subsidy is granted. However, as per the office Memorandum dated April 16, 2018 issued by the Department of Fertilizer, the Government has ex-post facto approved the subsidy paid on specific quantity of P&K fertilizer received in the district during February 2013 and March 2013 months in different year since 2012-13 at the rates fixed for the next financial year which were lower than the rate approved by cabinet /CCEA for that year. The Company has represented to the Department of Fertilizer that the material moved in February 2013 and March 2013 was part of the approved movement plan of January 2013 and hence NBS rates of 2013 should be applicable. The Company has obtained a legal opinion and if required will take appropriate recourse to recover this amount. The company is hopeful to realize the aforesaid amount hence no provision for Rs. 19.49 crores has been made in the accounts.

18. Receivables on account of interest from dealers on delayed payment were hitherto recognized once the principal payment of particular invoice received from the dealer. However, the Company has during the year ended March 31, 2018 changed its policy of accruing overdue interest fully on accrual basis to the extent the Company is reasonably certain of their ultimate collection. This change of policy had resulted into profit before tax for the year being higher by Rs. 23.01 crores (on standalone and consolidated basis) for the year ended March 31, 2018.

19. The consolidated Ind AS financial results include the Group's share of total comprehensive income (comprising of profits and other comprehensive income) of Rs.7.05 crores for the quarter ended September 30, 2018 and Rs. 12.72 crores for the six months period ended September 30, 2018 in respect of one of the joint ventures including its associate, both located outside India, whose financial statements and other financial information have not been subject to a review and has been compiled by the management in accordance with accounting principles generally accepted in the respective country. The Company's management has converted the financial statements of such joint venture located outside India from accounting principles generally accepted in the respective country to accounting principles generally accepted in India.

20. Hon'ble National Company Law Tribunal (NCLT), Bench at Mumbai has sanctioned the scheme of amalgamation of Zuari Fertilizers and Chemicals Limited (ZFCL), Zuari Speciality Fertilizers Limited (ZSFL) and ZuariAgri Sciences Limited (ZASL) with the Company effective date being April 1, 2015, vide its order dated September 14, 2017. The scheme has become effective from November 13, 2017. Consequently, the figures (including earning per share) for the quarter and six months period ended September 30, 2017 have been revised and restated giving effect of the scheme and have been reviewed by the statutory auditors and audit committee of the company.

For and on behalf of Board of Directors

Sunil Sethy
Managing Director
DIN 00244104

Date :November01, 2018
Place :Gurugram

**Book Post**

If undelivered, please return to :

adventz


## ZUARI AGRO CHEMICALS LIMITED

CIN-L65910GA2009PLC006177

Registered Office: Jai Kisaan Bhawan, Zuarinagar, Goa - 403 726

Website: www.zuari.in, Tel.: 0832-2592180