

October 21, 2016

BSE Limited  
Floor 25, P.J. Towers  
Dalal Street  
**Mumbai 400 001**

National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra-Kurla Complex  
Bandra (E)  
**Mumbai 400 051**

Dear Sir/Madam,

**Sub : Outcome of the Board Meeting under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015**

This is to inform that, the Board at its meeting held on 21<sup>st</sup> October, 2016, inter alia, has considered and approved the following:

- 1) The Unaudited Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2016.

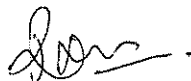
A copy of the approved financial results along with the Limited Review Report is enclosed herewith.

- 2) Variation in terms of appointment of Mr. Kapil Mehan, the Managing Director of the Company from five years to three years w.e. f 1<sup>st</sup> April, 2015, subject to Shareholders' approval.

This information is provided in compliance with Regulation 30 of SEBI (LODR) Regulations, 2015.

Thanking you,

Yours faithfully,  
For **ZUARI AGRO CHEMICALS LIMITED**



R.Y. Patil  
Vice President & Company Secretary

Encl : As Above  
**ZUARI AGRO CHEMICALS LIMITED**

CIN No.: L65910GA2009PLC006177

Global Business Park, Tower - A, 5th Floor, M. G. Road, Sector 26, Gurgaon - 122 002, Haryana India

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[www.adventz.com](http://www.adventz.com)

Registered Office: Jaikisaan Bhawan, Zuarinagar, Goa - 403726

**ZUARI AGRO CHEMICALS LIMITED**

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

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER /  
HALF YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016**

(Rs. In Crores)

	Particulars	3 months ended	3 months ended	3 months ended	Half Year ended	Half Year ended
		30.09.2016	30.09.2015	30.06.2016	30.09.2016	30.09.2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1</b>	<b>Income from Operations</b>					
	(a) Net Sales/Income from Operations	1052.34	1329.78	979.71	2032.05	2887.86
	(b) Other Operating Income	3.30	1.21	1.83	5.13	2.86
	<b>Total Income from Operations</b>	<b>1055.64</b>	<b>1330.99</b>	<b>981.54</b>	<b>2037.18</b>	<b>2890.72</b>
<b>2</b>	<b>Expenses</b>					
	a) Cost of Materials Consumed	362.24	684.19	459.10	821.34	1435.04
	b) Purchase of Stock-in-trade	253.54	755.30	532.50	786.04	1383.40
	c) Changes in inventories of finished goods, work-in progress and stock-in-trade	156.25	(413.92)	(239.47)	(83.22)	(556.12)
	d) Employee benefit expense	21.03	21.31	20.77	41.80	43.08
	e) Depreciation and amortization expense	8.57	7.61	8.60	17.17	14.40
	f) Power, Fuel & Water	52.08	71.51	47.03	99.11	172.68
	g) Excise Duty	2.81	4.70	3.71	6.52	9.06
	h) Other expenses	135.83	155.09	109.52	245.35	295.20
	<b>Total expenses</b>	<b>992.35</b>	<b>1285.79</b>	<b>941.76</b>	<b>1934.11</b>	<b>2796.74</b>
3	Profit from Operations before other income, finance costs and exceptional items (1-2)	63.29	45.20	39.78	103.07	93.98
4	Other Income	28.34	23.67	31.84	60.18	45.05
5	<b>Profit from Operations before finance costs and exceptional items (3+4)</b>	<b>91.63</b>	<b>68.87</b>	<b>71.62</b>	<b>163.25</b>	<b>139.03</b>
6	Finance costs	70.69	69.77	89.12	159.81	136.96
7	Profit / (Loss) from Operations after finance costs and before exceptional items (5+6)	20.94	(0.90)	(17.50)	3.44	2.07
8	Exceptional item (expense)/ income (Refer note 9 below)	-	-	(43.87)	(43.87)	-
9	<b>Profit / (Loss) from Ordinary activities before tax (7+8)</b>	<b>20.94</b>	<b>(0.90)</b>	<b>(61.37)</b>	<b>(40.43)</b>	<b>2.07</b>
10	Tax expense (expense)/ credit	(7.55)	0.26	21.32	13.77	(0.83)
11	<b>Profit / (Loss) from ordinary activities after tax (9+10)</b>	<b>13.39</b>	<b>(0.64)</b>	<b>(40.05)</b>	<b>(26.66)</b>	<b>1.24</b>
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Other Comprehensive income / (expense) (net of tax)	0.29	1.54	(0.50)	(0.21)	0.85
14	<b>Net Profit / (Loss) for the period (11+12+13)</b>	<b>13.68</b>	<b>0.90</b>	<b>(40.55)</b>	<b>(26.87)</b>	<b>2.09</b>
15	Paid-up Equity Share Capital (Face value Rs.10 per Share)	42.06	42.06	42.06	42.06	42.06
16	Earnings per share (of Rs. 10/- each) (not annualized):					
	(a) Basic (in Rs)	3.18	(0.15)	(9.52)	(6.34)	0.29
	(b) Diluted (in Rs)	3.18	(0.15)	(9.52)	(6.34)	0.29



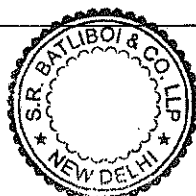
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**STATEMENT OF ASSETS AND LIABILITIES**

(Rs. In Crores)

	Particulars	As at Half Year ended 30.09.2016	As at Half Year ended 30.09.2015
		Unaudited	Unaudited
<b>A</b>	<b>Assets</b>		
	<b>Non-current assets</b>		
	(a) Property, plant and equipment	369.96	264.76
	(b) Capital work-in-progress	131.77	146.92
	(c) Other intangible assets	2.21	2.03
	(d) Financial assets		
	(i) Investments	370.91	347.32
	(ii) Loans	180.08	396.84
	(iii) Others	124.19	124.62
	(e) Deferred tax assets (net)	17.21	-
	(f) Other non-current assets	17.94	25.44
	(g) Non-current tax assets	33.98	23.82
	<b>Total Non-current assets</b>	<b>1248.25</b>	<b>1332.55</b>
	<b>Current Assets</b>		
	(a) Inventories	471.23	1105.37
	(b) Financial Assets		
	(i) Investments	-	-
	(ii) Trade receivables	1819.62	2144.89
	(iii) Cash and cash equivalents	12.18	0.81
	(iv) Bank balances other than (iii)	0.18	0.25
	(v) Loans	388.88	53.74
	(vi) Others	137.18	95.80
	(c) Other current assets	126.61	199.09
	<b>Total Current Assets</b>	<b>2955.88</b>	<b>3599.95</b>
	<b>Total Assets</b>	<b>4204.13</b>	<b>4931.70</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share capital	42.06	42.06
	(b) Other Equity	710.70	757.53
	<b>Total Equity</b>	<b>752.76</b>	<b>799.59</b>
	<b>Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	190.88	-
	(ii) Other financial liabilities	-	-
	(b) Provisions	2.79	0.34
	(c) Deferred tax liabilities (Net)	-	13.12
	<b>Total Liabilities</b>	<b>193.67</b>	<b>13.46</b>
	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	1854.80	2717.45
	(ii) Trade payables	1033.50	1239.28
	(iii) Other financial liabilities	196.80	86.91
	(b) Other current liabilities	147.97	50.68
	(c) Provisions	24.63	24.33
	<b>Total Current Liabilities</b>	<b>3257.70</b>	<b>4118.65</b>
	<b>Total Equity and Liabilities</b>	<b>4204.13</b>	<b>4931.70</b>

Notes:



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1. The results have prepared in accordance with the Indian Accounting ("Ind AS) prescribed under Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India. Beginning April 01, 2016 the Company has for the first time adopted Ind AS with transition date of April 01, 2015.
2. The results for the quarter ended September 30, 2016 have been prepared on the basis of notified concessions prices for urea under New Urea Policy 2015, which is further adjusted for input price escalation/de-escalation, as estimated on the basis of prescribed norms.

The subsidy on Phosphatic and Potassic fertilizers has been accounted for as per concession price notified by the Government of India with effect from April 1, 2016.

3. Under the provision of IndAs 108, the Company operates in a single segment of fertilizer operations and therefore separate segment disclosures have not been given.
4. Reconciliation between financial results previously reported under Indian GAAP and Ind AS for the quarter and six months period ended September 30, 2015 is as under:

(Rs.in Crores)

Particulars	Quarter ended September, 2015	Six Month ended September, 2015
<b>Net Profit under previous Indian GAAP (after tax)</b>	<b>3.12</b>	<b>5.16</b>
Add / (Less)		
Re-measurement of Defined Benefit Plans recognized in Other Comprehensive Income (OCI)	(2.34)	(1.29)
Additional depreciation on account of Componentisation	(1.10)	(2.97)
Effect of spares capitalised as Property, plant and equipment	(0.66)	(1.02)
Mark to Market gain /(loss) on hedged foreign exchange exposure	(1.90)	(1.20)
Others	0.26	0.49
Tax Impact	1.98	2.07
<b>Net Profit / (Loss) for the period as per Ind AS (After tax) (A)</b>	<b>(0.64)</b>	<b>1.24</b>
<b>Other Comprehensive Income</b>		
Re-measurement of Defined Benefit Plans recognized in Other Comprehensive Income (OCI)	2.35	1.30
Tax Impact	(0.81)	(0.45)
<b>Other comprehensive income (After tax) (B)</b>	<b>1.54</b>	<b>0.85</b>
<b>Total Comprehensive income for the period under Ind AS (A+B)</b>	<b>0.90</b>	<b>2.09</b>

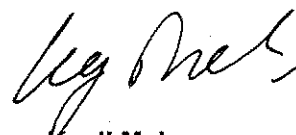
5. Tax expense/ credit is net/ inclusive of deferred tax effects, MAT Credit entitlement and tax adjustment for earlier years.



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6. In respect of import of DAP in a previous year which did not meet the standards specified by Fertilizer Control Order, 1985, (FCO) based on its estimate, the Company accounted for claim of Rs. 27.13 crores (pending confirmation from 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, the Company has considered the aforesaid amount as fully recoverable.
7. There is a possibility that these quarterly financial results along with the provisional financial statements as of and for the year ended March 31, 2016 may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2017 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS as permitted under Ind AS 101.
8. During the previous year, the Board of Directors of the Company has approved the merger of its 100% subsidiaries ZuariAgri Sciences Ltd, ZuariFertilisers and Chemicals Ltd and ZuariSpecialityFertilisers Ltd (formerly known as ZuariRotemSpeciality Fertilizers Ltd) with the Company effective date being 01.04.2015, which is pending for necessary approvals from various authorities.
9. Exception item for the quarter ended June 30, 2016 and half year ended September 30, 2016 represented provision towards price reduction claims on stock lying with distribution channel pertaining to earlier year's sale.
10. The auditors have conducted limited review of the financial results for the quarter ended September 30, 2016. The Ind AS complaint corresponding figures for the quarter ended September 30, 2015 have not been subject to limited review or audit. However, the management of the Company has exercised necessary due diligence to ensure that such financial results provide true and fair view of its affairs. The un-audited financial results have been recommended by the Audit Committee at its meeting held on October 21, 2016 and approved by the Board of Directors at its meeting held on October 21, 2016.
11. Previous period's figures have been regrouped wherever necessary.

**For and on behalf of the Board of Directors**



**Kapil Mehan**  
**Managing Director**  
**DIN : 01215092**

Date : October 21, 2016  
Place : Gurgaon



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

We have reviewed the accompanying statement of unaudited financial results of Zuari Agro Chemicals Limited ('the Company') for the quarter ended September 30, 2016 and year to date from April 01, 2016 to September 30, 2016 (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, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

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.

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.

We report that the Company is carrying receivable of Rs. 27.13 crores on account of claim raised on a product supplier for loss suffered on purchase of material which did not meet the specified standards. The said claim is subject to confirmation from the supplier. In the absence of independent confirmation from the supplier and other related information, we are unable to comment on the appropriateness of the accounting the claim including consequential effects, if any, that may arise in this regard in these accompanying financial results. In respect of above, audit report for the year ended March 31, 2016 and review report for the quarter ended June 30, 2016 were suitably modified.

We have not audited or reviewed the accompanying financial results and other financial information for the three months ended September 30, 2015 and the year to date period ended September 30, 2015 which have been presented solely based on the information compiled by Management.

Based on our review conducted as above, except for the possible effects of our observations stated 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 applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, 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/E300005**  
Chartered Accountants



**per Anil Gupta**  
Partner  
Membership No.: 87921



Place: New Delhi  
Date: October 21, 2016