

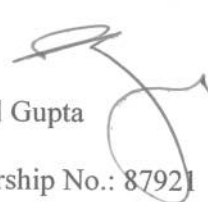
Limited Review Report**Review Report to
The Board of Directors
Zuari Industries Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Zuari Industries Limited ('the Company') for the quarter ended September 30, 2011 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.


For S.R. Batliboi & Co.

Firm registration number: 301003E

Chartered Accountants


per Anil Gupta
Partner

Membership No.: 87921

Place: Gurgaon

Date:

14/11/11



The National Stock Exchange of India Ltd
Exchange Plaza, Bandra-Kurla Complex
Bandra (East)
Mumbai 400 001

Sub : Unaudited Financial Results for the quarter ended 30th September, 2011

In pursuance to Clause 41 of the Listing Agreement, we give hereinbelow the Unaudited Financial Results for the quarter ended 30th September, 2011.

Dear Sir,

(Rs. in Crores except where otherwise Stated)

Sr.No.	Particulars	Unaudited				Audited
		Quarter Ended		Half Year Ended		Year Ended
		September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	March 31st, 2011
1. a.	Net Sales/Income from Operations	1890.95	2089.53	2995.03	3032.39	5522.83
b.	Other Operating Income	2.37	7.45	22.46	15.67	39.15
	Total	1893.32	2096.98	3017.49	3048.06	5561.98
2.	Expenditure					
a.	(Increase) / decrease in stock in trade and work in progress	(425.23)	53.31	(696.67)	(480.81)	(215.40)
b.	Consumption of raw materials	544.57	629.96	1176.28	1197.15	2231.53
c.	Purchase of traded goods	1503.31	1067.14	2028.64	1777.38	2515.35
d.	Employees cost	22.34	17.42	42.04	38.35	79.47
e.	Depreciation	6.03	5.30	11.85	10.61	21.33
f.	Other expenditure	196.68	222.96	367.46	364.85	692.18
	Total Expenditure	1847.70	1996.09	2929.60	2907.53	5324.46
3.	Profit from Operations before Other Income, Interest and Exceptional Items (1-2)	45.62	100.89	87.89	140.53	237.52
4.	Other Income	26.55	18.59	41.09	25.95	40.25
5.	Profit before Interest and Exceptional Items (3+4)	72.17	119.48	128.98	166.48	277.77
6.	Interest	8.36	5.04	18.18	12.76	38.32
7.	Profit (+) / Loss (-) after Interest but before Exceptional Items (5-6)	63.81	114.44	110.80	153.72	239.45
8.	Exceptional Items	-	-	-	-	-
9.	Profit (+) / (Loss) (-) from ordinary activities before tax (7+8)	63.81	114.44	110.80	153.72	239.45
10.	Tax expenses / (credit)	16.17	33.08	30.70	44.55	72.57
11.	Net Profit (+) / (Loss) (-) from Ordinary Activities after Tax (9-10)	47.64	81.36	80.10	109.17	166.88
12.	Extraordinary Item (Net of tax expenses)	-	-	-	-	-
13.	Net Profit(+) / (Loss)(-) for the period (11-12)	47.64	81.36	80.10	109.17	166.88
14.	Paid-up Equity Share Capital (Face value Rs.10 per Share)	29.44	29.44	29.44	29.44	29.44
15.	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year					1,190.95
16.	Earning Per Share (EPS) Basic and diluted EPS for the period (Not to be annualized) (Rupees)	16.18	27.64	27.21	37.08	56.68
17.	Public shareholding					
-	Number of Shares	12309231	19321231	12309231	19321231	19321231
-	Percentage of shareholding	41.81	65.63	41.81	65.63	65.63
18.	Promoters and promoter group share holding	17131373	10119373	17131373	10119373	10119373
a.	Pledged / Encumbered					
-	Number of Shares	3281767	1281767	3281767	1281767	2171767
-	Percentage of shares (as a % of the total shareholding of promoters and promoter group)	19.16	12.67	19.16	12.67	21.46
-	Percentage of shares (as a % of the total share capital of the company)	11.15	4.35	11.15	4.35	7.38
b.	Non-Encumbered					
-	Number of Shares	13849606	8837606	13849606	8837606	7947606
-	Percentage of shares (as a % of the total shareholding of promoters and promoter group)	80.84	87.33	80.84	87.33	78.54
-	Percentage of shares (as a % of the total share capital of the company)	47.04	30.02	47.04	30.02	27.00

ZUARI INDUSTRIES LIMITED

Registered Office : Jaikisaan Bhawan, Zuarinagar, Goa - 403 726, India.

Telephone : (0832) 2592180, 2592181

FAX : (0832) 2555279

Statement of Assets & Liabilities as at 30th September 2011

Rs. in Crores

Particulars	Unaudited as at 30.09.2011	Unaudited as at 30.09.2010
SHAREHOLDERS' FUNDS:		
(a) Capital	29.44	29.44
(b) Reserve & Surplus	1271.05	1148.64
LOAN FUNDS	1453.38	965.80
DEFERRED TAX LIABILITY	15.80	-
TOTAL	2769.67	2143.88
FIXED ASSETS	231.87	198.25
INVESTMENTS	414.35	491.01
DEFERRED TAX ASSET	-	3.56
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Inventories	1378.43	927.04
(b) Sundry Debtors	1424.36	882.80
(c) Cash & Bank Balances	38.67	295.83
(d) Other Current Assets	34.95	409.00
(e) Loans & Advances	476.81	217.95
Less: Current Liabilities and provisions		
(a) Liabilities	1170.10	1239.38
(b) Provisions	59.67	42.18
NET CURRENT ASSETS	2123.45	1451.06
MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)	-	-
TOTAL	2769.67	2143.88

Notes to Accounts

1. Subsidy for Urea has been accounted based on Stage III parameters of the New Pricing Scheme and other adjustments as estimated in accordance with the known Policy parameters in this regard. The stage III of New Pricing Scheme which was operational for the period October 1, 2006 to March 31, 2010 has been extended on provisional basis till further orders.
2. Tax expenses include/(net off) of Deferred tax charge/(credit) and income tax adjustments for earlier years.
3. During the quarter under review there was a fire incident on the cross country petroleum pipeline owned by Terminalling service providers. Arising from this, the pipeline had to be closed down on security and consequently repairs and recertification needs. Due to consequent safety related issues, the Mormugao Port Trust authorities had also stopped clearance of other raw materials for Phosphatic and Potassic Fertilisers. These events caused disruption of 63 days in Urea Production and 20 days in Phosphatic and Potassic Fertilisers Production. The Pipeline has since been repaired, recertified and re-commissioned on October 19, 2011 and clearance from Mormugao Port Trust authorities for berthing of vessel was received on October 1, 2011. Operations currently are normal.
4. During the quarter, the Company, Zuari Cement Limited and Gulbarga Cement Limited, has entered into share subscription agreement. Pursuant to which Zuari Cement Limited has subscribed to the subscription shares such that its shareholding is 74% of the Share capital in the Gulbarga Cement Limited. Consequently, the Gulbarga Cement ceased to be wholly owned subsidiary of Zuari Industries Limited.
5. (a) As reported last quarter, the Company has embarked on restructuring exercise in setting out the different business under two distinct verticals viz of Fertilizers and Other businesses, for better managerial attention and focus as also towards unlocking values for its stakeholders. The Scheme has been approved by the shareholders in the Equity Shareholders meeting held on August 18, 2011. The Fertiliser business will upon sanction of the Scheme from Hon'ble High Court, shall be transferred to Zuari Holdings Limited with effect from the appointed date i.e. July 1, 2011.

The Net Sales / Income from Operations of the Fertiliser business included in these statements for the period July 1, 2011 to September 30, 2011 is Rs.1,806.95 Crores.

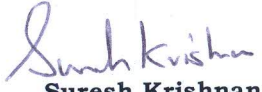
The Profit from ordinary activities before tax for Fertiliser Business included in these statements for the period July1, 2011 to September 30, 2011 is Rs.35.67 Crores.

(b) Under the provisions of Accounting Standard (AS17) however, the Company operates in the single segment of fertiliser operations and therefore separate segment in disclosures have not shown here.

6. No investors complaints were pending at the beginning of the quarter and 34 (Thirty four) complaints were received and resolved during the quarter. No complaints were pending as on September 30, 2011.
7. Previous period figures have been regrouped wherever necessary.
8. The auditors have conducted limited review of the financial results for the period ended September 30, 2011. The unaudited financial results have been recommended by the Audit Committee at its meeting held on November 14, 2011 and approved by the Board of Directors at its meeting held on the same day.

For and on behalf of the Board of Directors

Date : November 14, 2011
Place : Zuarinagar


Suresh Krishnan
Managing Director