



December 29, 2015

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 Sirs,

Sub : Outcome of the Board Meeting held on 29th December,2015

Ref: Regulation 30(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with sub-para 1.2 of Para A.1 of Annexure I of Circular bearing number CIR/CFD/CMD/4/2015 dated 9th September 2015 issued by Securities and Exchange Board of India

Please be informed that the Board of Directors of Zuari Agro Chemicals Limited ("Company" or "ZACL") at its meeting held on 29th December, 2015 has considered and approved, the scheme of amalgamation of Zuari Fertilisers and Chemicals Limited ("ZFCL"), Zuari Rotem Speciality Fertilizers Limited ("ZRSFL") and Zuari Agri Sciences Limited ("ZASL") with the Company under the provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956/ Companies Act, 2013 ("Scheme" and such amalgamation referred to as "Amalgamation"), as recommended by the Audit Committee of the Company.

The Amalgamation shall be subject to the approval/ sanction of the Scheme of Amalgamation by the Hon'ble High Court of Bombay at Goa and such other authority, as may be necessary.

The appointed date of the Amalgamation is 1st April, 2015. It is pertinent to note that as a consequence of Amalgamation, there will be no change in the shareholding pattern of the Company, given that the Company is not required to issue any shares pursuant to the Amalgamation as all the Transferor Companies, ie, ZFCL, ZRSFL and ZASL are wholly-owned subsidiaries of the Company. Further, upon the scheme becoming effective, the Transferor Companies i.e. ZFCL, ZRSFL and ZASL will be dissolved without winding up and the shares held by the Company in the Transferor Companies shall be cancelled and extinguished without any act or deed.

In addition, pursuant to Regulation 30(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with sub-para 1.2 of Para A.1 of Annexure I of Circular bearing number CIR/CFD/CMD/4/2015 dated 9th September,

ZUARI AGRO CHEMICALS LIMITED

CIN : L65910GA2009PLC006177

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Registered Office: Jaikisaan Bhawan, Zuarinagar, Goa - 403726 INDIA Website: www.adventz.com

2015 issued by Securities and Exchange Board of India (“SEBI” and such circular referred to as “SEBI Circular”), the following details are being provided:

1. **Name of the entity(ies) forming part of the Amalgamation, details in brief such as, size, turnover etc:**

a. **Name of the entity(ies) forming part of the Amalgamation**

Transferor Companies: (i) Zuari Fertilisers and Chemicals Limited,
(ii) Zuari Rotem Speciality Fertilizers Limited, and
(iii) Zuari Agri Sciences Limited

Transferee Company: Zuari Agro Chemicals Limited

b. **Details in brief of the companies involved in the Scheme:**

(Rs in Crores)

Particulars	Size		
	As per 31 st March, 2015		As per 31 st March, 2015
	Total Capital employed	Net Worth	Turnover
Transferor Company			
ZACL	900.29	803.37	5507.61
Transferee Company			
ZFCL	196.32	(20.91)	-
ZRSFL	12.12	8.76	65.57
ZASL	4.14	2.08	49.17

2. **Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”:**

All the Transferor Companies involved in the Amalgamation, i.e., ZFCL, ZRSFL and ZASL are wholly-owned subsidiaries of the Company (“WOS”) and hence are related parties of the Company.

Since the Scheme involves Amalgamation of three WOS with their holding company, upon Amalgamation of Transferor Companies with the Company in terms of the Scheme becoming effective, the entire paid-up share capital (i.e., equity share capital and preference share capital, if any) of the Transferor Companies held by the Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof, the Company shall not be required to issue and / or allot any shares to the members of the Transferor Companies, therefore, the question of whether this transaction is done at arm’s length or not does not arise. In this connection, it will be pertinent to also mention that the Ministry of Corporate Affairs vide its general circular bearing number 30/2014 dated 17th July, 2014 has clarified that transactions arising, *inter alia*, out of amalgamation will not attract the requirement of Section 188 of Companies Act, 2013.

Additionally, it may also be noted that the Accounting Treatment in the books of the Company pursuant to the Scheme becoming effective, as mentioned in the Scheme is in compliance with the

applicable Accounting Standards and Other Generally Accepted Accounting Principles and a certificate to that effect issued by the Statutory Auditors will be submitted to the Stock Exchange along with the Scheme.

3. Area of business of the entity(ies):

Name of Company	Area of Business
Transferee Company	
ZACL	ZACL produces and trades in urea, complex fertilizers of various grades and also trades in seeds, micro nutrients and speciality fertilisers and has a manufacturing facility for producing urea and complex fertilisers at Zuarinagar, Goa.
Transferor Companies	
ZFCL	ZFCL owns and operates a single super phosphate manufacturing facility at Maharashtra Industrial Development Corporation, Mahad, Maharashtra with a manufacturing capacity of 600 Metric Tonnes per day.
ZRSFL	ZRSFL owns and operates a water soluble fertilisers manufacturing facility at Baramati, Maharashtra with manufacturing capacity of 24,000 Metric Tonnes per annum.
ZASL	ZASL is engaged in production and trading of hybrid seeds and trading in pesticides.

4. Rationale for Amalgamation

The board of directors of the Transferor Companies and the Company have decided to merge the three Transferor Companies together with their business and undertakings, with the Company, so as to achieve the following:

- a) Consolidation of businesses of the Transferor Companies (all of which are wholly-owned subsidiaries of the Transferee Company and all engaged in agricultural support businesses) and the Transferee Company into a single entity which would result in the business activities to be carried out with greater focus and specialisation thus, leading to the objective of achieving sustained growth;
- b) Enable the shareholders of ZACL to get direct participation in the businesses of its present wholly owned subsidiaries (being ZFCL, ZRSFL and ZASL);
- c) Simplified group and business structure;
- d) Elimination of multiplicity of the companies leading to synergies in operations, achieving efficiencies and economies of scale and reduction in operational costs, overheads, administrative and other expenditure.
- e) Enable one consolidated company to provide all agri-inputs to the farmers/ who are the common end-users of products of all four companies, thus, resulting in better marketability of these products which should also assist the farmers to enhance their productivity.



Thus, as a whole, Amalgamation of the three Transferor Companies with the Transferee Company in terms of the Scheme will be beneficial for all the four companies, their shareholders, their creditors, employees, customers and all others concerned with the four companies.

5. In case of cash consideration – amount or otherwise share exchange ratio:

As a consideration of Amalgamation, there is neither any payment of cash nor any issuance of fresh shares. As already explained above, since the Scheme involves Amalgamation of WOS with the Company, hence, upon the Scheme becoming effective, the Company shall neither be required to issue and / or allot any shares nor pay cash.

6. Brief details of change in shareholding pattern (if any) of ZACL:

As already explained above, since the Scheme involves Amalgamation of three WOS of ZACL with ZACL, no shares shall be required to be issued by the Company and as such, there will be no change in the shareholding pattern of ZACL pursuant to the Scheme.

This information is provided in compliance with Regulation 30 of Listing Regulations.

Thanking you,

Yours faithfully,
For ZUARI AGRO CHEMICALS LIMITED



R.Y. PATIL
Chief General Manager
& Company Secretary