

Zuari Agrochemicals sells its fertilizer plant at Goa to Paradeep Phosphates Ltd for an Enterprise Value of US \$280 million

The Board of Directors of Zuari Agrochemicals Ltd (“ZACL” or “the company”), at its meeting held today, approved the sale of its fertilizer plant at Goa and the associated businesses by way of a slump sale to Paradeep Phosphates Ltd (PPL) for a lump sum consideration (Enterprise Value) of US \$280 million. The Goa plant of ZACL is engaged in the manufacture, distribution, imports and sale of Urea, DAP and various grades of NPK fertilizers under the “Jai kisaan” brand, with a total installed capacity of 1.2million MT per annum.

The divestment of the Goa plant by ZACL marks a strategic choice by the company, aimed at consolidating the bulk fertilizer business and achieving a significant reduction of leverage of the company. The unique products of ZACL-Goa and its distribution strength in key states of western India will render positive synergies to PPL and will give the combined entity an unparalleled competitive advantage.

With this restructuring move, the company now has a clearly earmarked venture into specialty nutrients and retail through its wholly owned subsidiary “Zuari FarmHub Ltd” (ZFHL) and the bulk business of Goa plant and Paradeep operations consolidated under its joint venture, “Paradeep Phosphates Ltd” (PPL). This apart, the company continues to own 54.03% shareholding in the South India focused company “Mangalore Chemicals & Fertilizers Ltd” (MCFL). Going forward, the company intends to focus a dual strategy of growing the bulk fertilizer business through PPL & MCFL and the speciality business through ZFHL.

PPL and ZACL will shortly be signing the definitive Business Transfer Agreement (BTA) with regard to this transaction. The lump sum consideration, based on an Enterprise Value of US \$280 million, is subject to certain adjustments as agreed between the parties in the BTA. The BTA will be subject to various statutory and regulatory approvals.

About Zuari Agrochemicals Ltd

Zuari Agro Chemicals Ltd was founded by the eminent Indian industrialist, Late Dr KK Birla in 1967, and the manufacturing operations started in 1974. Right from its inception the focus of ZACL has been to elevate the lives of the farming community and ensure their wellbeing. For over 50 years, the company has been firm on the path to help Indian farmers in their toil. With the guiding principle of '**Farmers First**', the flagship company of the Adventz Group led by its Chairman, Mr. Saroj Kumar Poddar, has been endeavouring to support and nurture the Indian farming community.

From the onset of Green Revolution in the 1960s to the change over to the new Millennium, **Jai Kisaan** – the brand name under which ZACL sells its products – is a name readily recognized within the Indian farming community and trusted for its efficacy and quality. What pulls the Indian farmers to Jai Kisaan is that more than being a provider of agri-inputs, the brand improves their lives with customer-centric services, sustainable solutions and assistance in their daily life.

Zuari is a single-window agricultural solution provider, and partners with Indian farmers in a collective quest towards progress and prosperity. It strives to enable agricultural self-sufficiency and economic independence by providing fertilisers that are both affordable and effective.

About Paradeep Phosphates Ltd

Paradeep Phosphates Ltd (PPL), with its manufacturing unit located in Paradeep, Odisha, is a leading fertilizer company with an annual turnover of approximately INR 5,500 crores. The Government of India holds 19.55% of the company while the balance 80.45% is held by "Zuari Maroc Phosphates Pvt Ltd" (ZMPPL), a joint venture between ZACL and OCP S.A. PPL manufactures and markets complex phosphatic fertilisers and intermediary products like Phosphoric Acid and Sulphuric Acid, crucial in the manufacture of phosphatic fertilisers.

PPL's wide range of specially formulated complex phosphatic fertilizers are marketed under the brand name 'NAVRATNA' catering to almost all types of crops. The products are well established and are sold through private and institutional channels throughout the country. Aggressive marketing initiatives

have been undertaken to increase market share of these specially formulated fertilizers throughout the marketing territory.

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