

# ZUARI INDUSTRIES LIMITED

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Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400001

April 14, 2011

Dear Sir,

## Sub: Withdrawal of Scheme of Amalgamation

This is with reference to the announcement made by Zuari Industries Limited ("Company") on February 22, 2010 informing the (BSE/NSE) about the approval by its board of directors ("Board") of a scheme of amalgamation ("Scheme") of Gobind Sugar Mills Limited ("GSML") which is listed on the Calcutta Stock Exchange, with and into the Company under Sections 391 to 394 of the Companies Act, 1956. The effectiveness of the Scheme was Inter – alia subject to the sanction of the Hon'ble High Court of Bombay at Goa and the Hon'ble Calcutta High Court.

This letter is to inform you that at a meeting of the Board of the Company was held today to consider and discuss several matters including to generally consider the status of the Scheme. The Board while discussing the status of the Scheme pending before the Hon'ble High Court of Bombay at Goa, discussed the developments in the sugar and fertilizer industries in India and decided to consider the option and validity of withdrawal of the Scheme if the Board is so inclined and sought legal advice in relation to the same during the course of the meeting. On receipt of the legal advice before the meeting had concluded, the Board has decided to withdraw the petition pending before the Hon'ble High Court of Bombay at Goa for sanction of the Scheme.. The decision to withdraw the Scheme has been taken by the Board in view: (i) the change in circumstances and business environment in light of subsequent deregulation of the Company; fertilizer business, and (ii) uncertainty resulting from considerable delay of more than a year in sanction of the Scheme and risk of litigation due to pending objections to the Scheme before the Hon'ble High Court of Bombay at Goa. The proposed objectives and rationale for undertaking the Scheme are therefore no longer valid and the synergies sought to be realized pursuant to the Scheme are no longer envisaged by the Company.

This is for your reference and record.

Thanking you,

Yours sincerely,  
For Zuari industries Ltd.,



(R.Y.Patil)  
Chief General Manager  
& Company Secretary