



ZUARI AGRO CHEMICALS LIMITED
CIN: L65910GA2009PLC006177

Registered Office: Jai Kisaan Bhawan, Zuarinagar, Goa 403 726
Tel: 91-0832-2592180, E-mail: shares@adventz.com, Website: www.zuari.in

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014]

To
The Members,

NOTICE is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any amendment(s), statutory modifications or reenactment thereof for the time being in force), read with the General Circular No.14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular 22/2020 dated June 15, 2020 and General Circular No. 33/2020 dated September 28, 2020 and General Circular 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs ("**MCA Circulars**"), and pursuant to other applicable laws and regulations, if any, that the resolutions appended below are proposed for the approval of the members through Postal Ballot by remote e –voting process ("**e-voting**")

SPECIAL BUSINESS:

- 1. Sale of Company's fertilizer plant at Goa and associated businesses of the Company to Paradeep Phosphates Limited under Section 180 (1) (a) of the Companies Act, 2013:**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**;

RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to necessary approvals / consents / permissions / sanctions of the appropriate regulatory and statutory authorities, institutions or bodies or lenders, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), for sale and transfer business of developing, manufacturing and trading of Urea and NPK products carried out at the fertilizer plant at Goa including the assets, employees and assumed liabilities ("Business") of the

Company to Paradeep Phosphates Limited (PPL) as a going concern, on a slump sale basis for an agreed valuation of USD 280 million [INR 2,052,25,44,000 (Rupees Two thousand fifty two crores twenty five lakhs and forty four thousands only) converted at an exchange rate @ Rs. 73.2948 / USD, as on the date of execution of business transfer agreement], to be suitably adjusted for working capital changes at the date of actual transfer of the Business and other agreed items, subject to the fulfilment of the terms and conditions set in Business Transfer Agreement dated March 1, 2021 ("BTA") and on such terms & conditions as the Board may deem fit and appropriate in the interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to finalize, settle and execute such documents /deeds /writings /papers /agreements as may be required and to give necessary consents and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and seek the requisite approvals, consents and permissions as may be applicable.

2. Sale of Company's fertilizer plant at Goa and associated businesses of the Company to Paradeep Phosphates Limited under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013.

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**;

RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Rules made thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Related Party Transaction Policy of the Company, the provisions of the Memorandum and Articles of Association of the Company and subject to necessary approvals / consents / permissions / sanctions of the appropriate regulatory and statutory authorities, institutions or bodies or lenders, consent of the members be and is hereby accorded for sale of Company's fertilizer plant at Goa and associated businesses of the Company to Paradeep Phosphates Limited, a subsidiary of the joint venture (a Related Party) of the Company as a going concern, on a slump sale basis at an Enterprise Value of USD 280 million [INR 2,052,25,44,000 (Rupees Two thousand fifty two crores twenty five lakhs and forty four thousands only) converted at an exchange rate @ Rs. 73.2948 / USD, as on the date of execution of business transfer agreement] to be suitably adjusted for working capital changes at the date of actual transfer of the Business and other agreed items, subject to the fulfilment of the terms and conditions set in Business Transfer Agreement dated March 1, 2021("BTA") and on such terms & conditions as the Board may deem fit and appropriate in the interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, any one Director and Company Secretary and Chief Financial Officer of the Company be and are hereby severally authorized to perform all such acts, deeds, matters and things as may be deemed proper, necessary or expedient.

By Order of the Board of Directors

**Vijayamahantesh Khannur
Company Secretary
ACS 19257**

Date : March 05, 2021
Registered Office : Jai Kisaan Bhawan,
Zuarinagar, Goa – 403 726

NOTES:

1. The related Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business specified above along with the material facts is annexed hereto.
2. In line with the MCA Circulars, the Postal Ballot Notice is being sent only by email to those shareholders who have registered their e-mail addresses with the Company or Depository Participant / Depository / Link Intime India Pvt. Ltd., the Company's Registrar & Transfer Agent (RTA) and whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the closure of business hours on Friday, February 26, 2021. In compliance with the requirements of the MCA Circulars, hard copies of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the members for this Postal Ballot and the shareholders are requested to carefully read the instructions indicated in this Notice and communicate their assent (for) or dissent (against) through e-voting only.
3. The Postal Ballot Notice is placed on the website of the Company at www.zuari.in and on the website of the stock exchanges at www.bseindia.com and www.nseindia.com and on the website of Central Depository Services (India) Limited (CDSL), the agency engaged by the Company for providing the facility of Remote e-voting to the Members of the Company at www.evotingindia.com.
4. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on cut - off date i.e. Friday, February 26, 2021. The person who is not a member as on cut-off date should treat this notice for information purpose only.
5. The resolutions, if passed by requisite majority, shall be deemed to have been passed on Wednesday, April 07, 2021, i.e. last day specified for receipt of votes through e-voting process.
6. Members who have not yet registered their email ids, are hereby requested to register their email ids

- **Members with Physical Holding:** A signed scanned copy of request letter mentioning the folio no, email id , Mobile No., PAN(self attested copy) that is to be registered may be sent to the Company's e-mail id : shares@adventz.com and/or to the Company's RTA, Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in
- **Members with Demat Holding:** Register through respective Depository Participants (DPs)

7. A Member cannot exercise his/her vote by proxy on Postal Ballot (e-voting).
8. In compliance with Sections 108 and 110 of the Act and the rules made there under, the MCA Circulars and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility to the shareholders to exercise their votes electronically and vote on the resolutions through the e-voting service facility arranged by Central Depositories Services (India)Limited. The instructions for e-voting are provided as part of this Postal Ballot Notice.
9. Mr. Shivaram Bhat, Practicing Company Secretary (Membership No. 10454) has been appointed by the Board of Directors of the Company as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
10. The Scrutinizer shall submit his report to the Executive Director of the Company, or any other Director or Company Secretary of the Company upon completion of scrutiny of the votes cast through e-voting. The result of the voting by Postal Ballot will be announced on Thursday, April 08, 2021 at 5.00 P.M.(IST) at the Registered Office of the Company and the same shall be displayed on the Notice Board at the Registered Office and on the website of the Company at www.zuari.in and will also be communicated to the Stock Exchanges.
11. All the material documents referred to in the Postal Ballot Notice and Explanatory Statement will be available for inspection by the Members at the registered office of the Company on all working days, (i.e. Monday to Friday) between 10.00 A.M. (IST) to 1.00 P.M.(IST) from the date of dispatch of the Notice up to the last date of e-voting i.e. from March 08, 2021 to April 07, 2021.

THE INTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING ARE AS UNDER:

- The e- voting period begins on Tuesday, March 09, 2021 at 10.00 A.M.(IST) and ends on Wednesday, April 07, 2021 at 5.00 P.M.(IST) During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- The cut-off date for e-voting facility is **Friday, February 26, 2021**, and members whose names appear in the register of members of the Company/in the register of beneficial owners maintained by the Depositories will be entitled to avail the service.
- The members should log on to the e-voting website www.evotingindia.com

- (iv) Click on “Shareholders / Members” tab.
- (v) Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the company selection screen. However, members holding shares in DEMAT form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Select EVSN of Zuari Agro Chemicals Limited
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take the printout of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If DEMAT account holder has forgotten the changed login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Institutional Members (Non-Individual and Custodians)
- Institutional members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and signature of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at cs.sbhat@gmail.com and to the Company at the email address viz; shares@adventz.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 2305 8738) or Mr. Mehboob Lakhani (022-2305 8543) or Mr. Rakesh Dalvi (022-23058542).

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. **For Physical shareholders-** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at shares@adventz.com /RTA at rnt.heldpdesk@linkintime.co.in.

2. **For Demat shareholders -**, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company at shares@adventz.com /RTA at rnt.heldpdesk@linkintime.co.in

EXPLANATORY STATEMENT FOR ITEM NO. 1 AND 2 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Sale of Company's fertilizer plant at Goa and associated businesses of the Company to Paradeep Phosphates Limited

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 19th June 2020 had granted In-Principle approval for sale of Goa Plant, related factory land and associated assets to Paradeep Phosphates Limited (PPL) at a valuation of US \$280mn agreed between OCP and the Company on discounted cash flow basis, subject to regulatory, statutory approvals and due diligence by PPL.

Accordingly, due diligence was carried out and based on the findings and an independent valuation report, the fair valuation for Goa Plant, related factory land and associated assets was arrived at USD 280 million.

Further, based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on February 22, 2021 approved the sale of Goa plant and associated businesses of the Company to PPL as a going concern, on a slump sale basis at an Enterprise Value of USD 280 million [INR 2,052,25,44,000 (Rupees Two thousand fifty two crores twenty five lakhs and forty four thousands only) converted at an exchange rate @ Rs. 73.2948 / USD, as on the date of execution of business transfer agreement], to be suitably adjusted for working capital changes at the date of actual transfer of the Business and other agreed items on the agreed valuation date of 31st March 2020.

The Board also approved entering into the business transfer agreement for sale of the Company's fertilizer plant at Goa to Paradeep Phosphates Limited. The Company has entered into Business Transfer Agreement dated March 1, 2021 ("BTA") with Paradeep Phosphates Limited. The salient features of the BTA are as under:

The salient features of the BTA are as under:

- a. Enterprise valuation of ZACL Goa plant, related factory land and associated assets as arrived as at 31.03.2020: USD 280 million [INR 2,052,25,44,000 (Rupees Two thousand fifty two crores twenty five lakhs and forty four thousands only) converted

- at an exchange rate @ Rs. 73.2948 / USD, as on the date of execution of business transfer agreement i.e. March 1, 2021, to be suitably adjusted for working capital changes at the date of actual transfer and other agreed items.
- b. Settlement of closing consideration: Part financed (approx. INR 1000crs) from Public issue and balance from loans & internal accruals. Outstanding amount by ZACL to PPL and any loans of ZACL that get transferred to PPL, would be reduced from the closing consideration.
 - c. Long Stop date for Closing: 30 June 2021 or such other date as may be mutually agreed in writing between the Parties when all statutory & contractual approvals are obtained.
 - d. Non solicitation & non-compete: 5 years
 - e. Jai Kisaan trademark: perpetual royalty free licensing, on a non-exclusive basis
 - f. Condition Precedents:
 - i. Seller obtaining all corporate authorizations, contractual approvals, lender consents, GAIL consent, no objections certificate from IT dept. and other govt. authorizations & licenses for sale.
 - ii. Purchaser obtaining all corporate authorizations, contractual approvals, lender consents, CCI approval and GOI approval as shareholder of Purchaser.

Strategic benefits:

The Goa plant of the Company 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 1.2 million MT per annum. The proposed sale of Goa Plant to Paradeep Phosphates Limited (PPL) is aimed at consolidating the bulk fertilizer business and achieving a significant reduction of leverage of the Company. The unique products of the Company and Company’s distribution strength in key states of western India will render positive synergies and will give an unparalleled competitive advantage.

With this proposed slump sale, the Company now has a clearly earmarked venture into speciality 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 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 & retail business through ZFHL.

Approvals sought:

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 (the “Act”), consent of the Shareholders is required by way of a Special Resolution for sale of the Company’s fertilizer plant at Goa to Paradeep Phosphates Limited.

In terms of the provisions of Section 188 of the Companies Act, 2013 and pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Related Party Transaction Policy of the Company, the proposed transaction is Material Related Party Transaction.

Hence, the approval of the members by way of an Ordinary Resolution is sought for sale of the Company's fertilizer plant at Goa and associated businesses of the Company to Paradeep Phosphates Limited as per details given below:

Name of the related party	Paradeep Phosphates Limited
Name of the Director or Key Managerial Personnel who is related, if any	a. Mr. Saroj K. Poddar, Chairman, Promoter Director of ZACL & PPL b. Mr. Akshay Poddar, Non-Executive Promoter Director of ZACL c. Mr. N. Suresh Krishnan, Non-Executive Director of ZACL and Managing Director of PPL.
Nature of relationship	Subsidiary of the Joint Venture
Nature, material terms, monetary value and particulars of the contract or arrangements	Sale of Goa plant and associated businesses of the Company to Paradeep Phosphates Limited (PPL) as a going concern, on a slump sale basis at an Enterprise Value of USD 280 million [INR 2,052,25,44,000 (Rupees Two thousand fifty two crores twenty five lakhs and forty four thousands only) converted at an exchange rate @ Rs. 73.2948 / USD, as on the date of execution of business transfer agreement], to be suitably adjusted for working capital changes at the date of actual transfer and other agreed items, subject to the fulfilment of the terms and conditions set in Business Transfer Agreement dated March 1, 2021.
Any other information relevant or important for the members to take a decision on the proposed resolution	Relevant information forms part of the Explanatory Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013.

Except Mr. Saroj K. Poddar, Chairman & Promoter Director, Mr. Akshay Poddar, Non-Executive Promoter Director, Mr. N. Suresh Krishnan, Non-Executive Director, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this matter.

The Company proposes to incentivize each of the public shareholders (i.e. other than promoter and promoter group) by Rs. 20 for every 1 (one) equity share held in the Company, as on the cut-off date, after the closing of the transaction. The said incentivizing to be made in a method permissible under the law, will be completed within a period of 90 to 120 days after closing the transaction

The Board recommends the resolution set out at Item No. 1 of the Postal Notice for shareholders' approval as a Special Resolution and the resolution set out at Item No. 2 of the Notice for shareholders' approval as an Ordinary Resolution.

By Order of the Board of Directors

**Vijayamahantesh Khannur
Company Secretary
ACS 19257**

Date: March 05, 2021

Registered Office: Jai Kisaan Bhawan, Zuarinagar-Goa 403 726