



June 8, 2018

BSE Limited
Floor 25, P.J. Towers
Dalal Street
Mumbai 400 001 Bandra (E)

National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex
Mumbai 400 051

Sub : Recent developments in relation to MCA Phosphates Pte. Ltd., Singapore

Dear Sirs

MCA Phosphates Pte. Ltd. ("**MCAP**") is a limited liability company incorporated in Singapore and is a joint venture between Zuari Agro Chemicals Ltd. ("**Company**") and Mitsubishi Corporation, Japan ("**Mitsubishi**"). MCAP holds 30% of the issued, subscribed and paid-up share capital of a Peruvian company, Fosfatos del Pacifico S.A. ("**FdP**"). FdP is engaged in the implementation of a project for mining and beneficiation of rock phosphate in Peru.

There has been a deadlock between the Company and Mitsubishi about certain impairments recorded in the financial statements of MCAP for financial years 2015-2016 and 2016-2017. On 15 February 2018, MCAP had issued a share offer notice by virtue of which the Company was offered to subscribe to certain ordinary shares. In light of the objections already raised by the Company in regard to the impairment and adoption of accounts, it did not subscribe to the rights issue. On 30 May 2018, the Company obtained the clarification that its shareholding in MCAP has been diluted from 30% to 0.17% with effect from 01 April 2018. Pursuant to such actions and despite the Company's objections, the nominee director of the Company on the board of MCAP was removed in the extraordinary general meeting of MCAP held on 04 June 2018.

The Company initiated legal proceedings before the High Court of Singapore on 04 June 2018, seeking certain relief. The matter was heard on 07 June 2018 and the Company has been advised that, pending adjudication of the application, an order has been passed by the High Court of Singapore mandating that *inter alia* no steps should be taken: (i) in respect of any matter specified as a super-majority decision in the shareholders agreement dated 20 December 2011, without the prior written consent of the Company, to, among other things, preserve the Company's original investment in the sum of USD 13,980,000 (and presently at USD 21,690,000); and (ii) no steps should be taken to change the shareholding of MCAP or to amend the Articles of Association of MCAP or to act in any manner inconsistent with the shareholders agreement mentioned above.

The Company is also evaluating its other legal rights and remedies against Mitsubishi and MCAP and will initiate appropriate legal proceedings in due course.

We will keep you posted on any further developments in this regard.

This is for your information and records.

Thanking you,

Yours faithfully,
For Zuari Agro Chemicals Limited

R.Y. PATIL
Vice President & Company Secretary

ZUARI AGRO CHEMICALS LIMITED

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