



The National Stock Exchange of India Limited
"Exchange Plaza"
Bandra Kurla Complex
Bandra (East)
MUMBAI - 400 001

August 17, 2011

Sub: Cessation of Gulbarga Cement Limited (GCL) as a subsidiary of Zuari Industries Limited (Company)

Dear Sirs,

This is to notify the Exchange that Zuari Cement Limited (ZCL), an unlisted public company, has made an offer (the "Offer") to the Company to acquire GCL, a wholly owned subsidiary of the Company, by way of subscription to equity shares of GCL, subject to the compliance and fulfillment of certain terms and conditions by the Company and/or GCL, including without limitation the execution of the share subscription agreement and shareholders' agreement amongst ZCL, GCL and the Company (the "Agreements").

During their meeting held today, the Committee of Board of Directors of the Company considered the Offer and have approved (i) the acceptance of the Offer by the Company on the terms and conditions offered by ZCL, (ii) the execution of the Agreements by the Company, and (iii) the taking of all steps to give effect to the proposed transaction, including without limitation, in its capacity as shareholder of GCL to procure that GCL accept the Offer. Upon issue and allotment of shares, ZCL's shareholding in GCL is expected to constitute 74% of the issued and paid up share capital of GCL.

Consequent to the issue and allotment of shares by GCL to ZCL, in accordance with the terms and conditions of the share subscription agreement, GCL will cease to be a subsidiary of the Company. However, the Company shall continue to hold 26% of the issued and paid up share capital of GCL in accordance with terms and conditions set out in the shareholders' agreement.

GCL is in the process of developing a greenfield cement plant in Gulbarga, Karnataka, which will, once set up, have an annual capacity of 3 million MT and 50 MW Power Plant. In respect of the same, GCL holds a limestone mining lease for 989 hectares of land in Gulbarga, Karnataka.

This intimation is issued in compliance with Clauses 22(d) and 36 of the Listing Agreement.

Thanking you,

Yours faithfully,
For ZUARI INDUSTRIES LIMITED

R. Y. PATIL
Chief General Manager
& Company Secretary

ZUARI INDUSTRIES LIMITED

Registered Office : Jaikisaan Bhawan, Zuarinagar, Goa - 403 726, India.
Telephone : (0832) 2592180, 2592181
FAX : (0832) Finance - 2555279, Operations - 2592343, Commercial - 2555462