

May 23, 2017



To,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051

Dear Sir

Sub: Clarification w.r.t announcement submitted to the Stock Exchange on Integrated Revamp of Ammonia-Urea plants

This is with reference to your email dated 22nd May, 2017, on the above captioned subject. In this regard we would like to give the point wise clarification as below:

S.No	Query	Reply
1	Period within which the proposed capacity is to be added (Integrated Revamp of Ammonia Urea Plant at cost of approx Rs.1300 crs)	These kind of revamp generally takes 25-30 months.
2	Mode of Financing	Financing will be thru Retained earnings, and mix of Debt & Equity.
3	Rationale	The plant is in vintage category as defined by Department of Fertilizer. The New Urea Policy 2015 by Department of Fertilizer mandates all vintage plants to bring down their energy consumption. To make the plant more energy efficient coupled with enhanced capacity to meet market demand it is necessary to undertake revamp of existing facilities. After Revamp (Increased Production & Reduced energy) ZACL will be in line with highly energy efficient plants in the country.

We hope above clarifies the matter.

Thanking you,

Yours faithfully,
For Zuari Agro Chemicals Limited

A handwritten signature in black ink, appearing to read 'R. Y. Patil'.

R .Y. Patil
Vice President & Company Secretary

ZUARI AGRO CHEMICALS LIMITED

(Formerly known as Zuari Holding Limited)

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CC:

BSE Limited

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