
SUMMARY OF THE PROPOSED COMBINATION

[UNDER REGULATION 13(1A) OF THE COMPETITION COMMISSION OF INDIA (PROCEDURE IN REGARD TO THE TRANSACTION OF BUSINESS RELATING TO COMBINATIONS) REGULATIONS, 2011 (AS AMENDED)]

A. Name of the parties to the combination

1. Paradeep Phosphates Limited (**PPL**); and
2. Zuari Agro Chemicals Limited (**ZACL**).

B. The nature and purpose of the combination

3. This Notification concerns the proposed acquisition by PPL of the plant located at Zuarinagar, Goa (**Goa Plant**) belonging to ZACL. As a result of the proposed transaction, PPL shall acquire the business of developing and manufacturing Urea and non-Urea fertiliser products presently carried out by ZACL at the Goa Plant (**Target Business**) as a going concern on a slump sale basis. (**Proposed Transaction**). ZACL and PPL are collectively referred to as the **Parties**.

C. The nature of the products, services and business(es) of the parties to the combination

PPL

4. PPL is a public company limited by shares and is a part of the Adventz Group. It is engaged mainly in the manufacture and sale of non-Urea fertilizers, namely, di-ammonium phosphate (**DAP**) and NPK fertilizers. PPL's products are sold under the brand-name "Jaikisaan Navratna". The company also imports and sells Muriate of Potash (**MoP**), which is also sold under the same umbrella brand name "Jaikisaan Navratna". Apart from these products, PPL also manufactures and sells a small volume of a very recently launched micronutrient mixture under the name Zypmite. Additionally, it produces Gypsum (a by-product of the fertilizer manufacturing process) which is largely sold to cement manufacturers for use as raw material.

ZACL

5. ZACL is a public listed company limited by shares which is also a part of the Adventz Group. It is primarily engaged in the development and manufacturing of fertilizers in India. It has manufacturing facilities at Zuarinagar, Goa (which includes the Target Business) where it produces Urea and non-Urea fertilizers.

D. Respective markets in which the parties to the combination operate

6. In India, both the Parties are active in the market for manufacture and/or sale of non-Urea fertilisers. This horizontal overlap will not give rise to any competition concerns due to the marginal market share of the Parties and the presence of several credible and competent players who will continue to exert strong competitive constraints on the Parties following the Proposed Transaction.
7. The Parties have had some business relationships in the ordinary course of business (routine purchases), entered into on an arm's length's basis, which can be characterized as vertical relations. These vertical overlaps will not give rise to any competition concerns as they relate to generic products and are only for limited supplies.