DETAILED PUBLIC STATEMENT IN TERMS OF REGULATION 13(4) READ WITH 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED, TO THE PUBLIC SHAREHOLDERS OF:

MANGALORE CHEMICALS & FERTILIZERS LIMITED

Registered Office: UB Tower, Level-11, UB City, No. 24, Vittal Mallya Road, Bangalore - 560 001. Tel: +91-80-3985 6000; Fax: +91-80-3985 5588

OPEN OFFER FOR ACQUISITION OF UP TO 3,07,00,000 (THREE CRORE SEVEN LAKH) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF INR 10 (RUPEES TEN) EACH COMPRISING 25.90% OF THE FULLY DILUTED VOTING EQUITY SHARE CAPITAL AS OF THE 10TH WORKING DAY FROM THE CLOSURE OF THE TENDERING PERIOD OF THE OFFER, FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF MANGALORE CHEMICALS & FERTILIZERS LIMITED ("TARGET COMPANY") BY ZUARI FERTILISERS AND CHEMICALS LIMITED ("ACQUIRER") TOGETHER WITH ZUARI AGRO CHEMICALS LIMITED AS THE PERSON ACTING IN CONCERT ("PAC") WITH THE ACQUIRER (THE "OFFER"/"OPEN OFFER").

This detailed public statement ("**DPS**") is being issued by ICICI Securities Limited (the "**Manager to the Offer**"), on behalf of the Acquirer and the PAC in compliance with Regulation 13(4) read with Regulation 15(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI Takeover Regulations**"), pursuant to the public announcement dated December 4, 2014 ("**PA**") filed with BSE Limited ("**BSE**"), the National Stock Exchange of India Limited ("**NSE**") and the Bangalore Stock Exchange Limited ("**Bangalore SE**", and together with NSE and BSE referred to as "**Stock Exchanges**"), in compliance with Regulation 6, Regulation 13(3), Regulation 15(1) and other applicable regulations of the SEBI Takeover Regulations. The PA was also filed with the Securities and Exchange Board of India ("**SEBI**") and sent to the Target Company at its registered office by way of letters dated December 5, 2014, in terms of Regulations 14(2) of the SEBI Takeover Regulations.

For the purposes of this DPS, the following terms shall have the meaning assigned to them below:

'**Identified Date**' shall mean the date falling on the 10th (tenth) working day prior to the commencement of the tendering period, for the purpose of determining the Public Shareholders to whom the Letter of Offer shall be sent.

'**Public Shareholders**' shall mean all the public shareholders of the Target Company excluding the persons acting in concert or deemed to be acting in concert with such parties including the PAC.

'**Equity Shares**' or '**Shares**' means fully paid-up equity shares of face value of INR 10 each of the Target Company.

'**Voting Share Capital**' shall mean 11,85,15,150 Equity Shares being the fully diluted voting share capital of the Target Company as of the 10th (tenth) working day from the date of closure of the tendering period.

I. ACQUIRER, PAC, TARGET COMPANY AND OFFER

A. INFORMATION ABOUT THE ACQUIRER & PAC:

1. ACQUIRER - ZUARI FERTILISERS AND CHEMICALS LIMITED

1.1 The Acquirer, a public limited company, was incorporated as 'Zuari Fertilisers and Chemicals Limited' on August 11, 2009 at Goa under the Companies Act, 1956, as amended. The name of the Acquirer has never been changed since the date of its incorporation.

1.2 The Acquirer was set up for manufacturing and trading of organic and inorganic fertilizers. The Acquirer is presently setting up a 600 TPD Single Super Phosphate (SSP) fertilizer plant at Mahad in Maharashtra.

1.3 The Acquirer is registered with the Registrar of Companies, Goa, Daman and Diu, bearing Corporate Identity Number (CIN) - U24120GA2009PLC006158. The registered office of Acquirer is situated at Jai Kisaan Bhawan, Zuarinagar, Goa - 403 726.

1.4 The Acquirer is part of the Adventz Group. The Adventz Group, controlled by Mr. Saroj Kumar Poddar, comprises of companies in various verticals with major interests in agri-business, engineering and infrastructure, emerging lifestyles and services.

1.5 The Acquirer is a wholly-owned subsidiary of PAC. The issued and paid up share capital of the Acquirer is INR 15,35,00,000 comprising of 1,53,50,000 equity shares of face value of INR 10 per equity share. As on the date of this DPS, the Acquirer does not have any partly paid-up equity shares.

1.6 The equity shares of the Acquirer are not listed on any stock exchange.

1.7 The directors of the Acquirer are Mr. Saroj Kumar Poddar, Mr. N. Suresh Krishnan, Mr. Naveen Kapoor and Mr. R. S. Raghavan.

1.8 As on the date of this DPS, the Acquirer holds 1,95,14,211 Shares representing 16.47% of the Voting Share Capital of the Target Company.

1.9 Except for the Shares held in the Target Company (as set out in paragraph 1.8 above), and being a promoter of the Target Company, the Acquirer, its directors (as set out in paragraph 1.7 above) and its key managerial employees have no other interest in the Target Company and there are no directors representing the Acquirer on the Board of Directors of the Target Company.

1.10 As on the date of this DPS, the Acquirer has not acquired any Shares of the Target Company post the date of the PA.

1.11 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992, as amended (the "**SEBI Act**") or any other regulations made thereunder.

1.12 The key financial information of Acquirer is as follows:

All figures in INR crores; EPS in INR/share

Particulars	6 Months Ended September 30, 2014	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012
TOTAL REVENUE	2.02	6.88	3.61	0.86
NET INCOME	(5.93)	(7.59)	(3.46)	(1.16)
EARNINGS PER SHARE (EPS)	(7.70)*	(14.12)	(692.35)	(232.20)
NET WORTH/ SHAREHOLDER FUNDS	(3.03)	2.90	(4.81)	(1.35)

Note: The financial information set forth above has been extracted from the audited financial statements of the Acquirer as at and for the financial years ended March 31, 2014, March 31, 2013 and March 31, 2012 and management certified financial statements of the Acquirer as at and for the 6 month period ended September 30, 2014.

**EPS is calculated on the basis of net income for 6 month period ended September 30, 2014 and is annualized.*

2. PAC - ZUARI AGRO CHEMICALS LIMITED

2.1 PAC was incorporated, as a public limited company, on September 10, 2009 at Goa under the Companies Act, 1956, as amended, in the name and style as 'Zuari Holdings Limited'. The name of PAC was changed to its present name on September 28, 2012 pursuant to a fresh certificate of incorporation, consequent upon change of name, issued by Registrar of Companies, Goa, Daman and Diu.

2.2 PAC, part of the Adventz Group (defined in paragraph 1.4 above), manufactures, sells, and trades fertilizers in India. It has manufacturing facilities at Zuarinagar, Goa, which produces Urea and complex fertilizers. It also sells other agricultural inputs, such as micronutrients, specialty fertilizers, composts, organic manure and seeds.

2.3 PAC is registered with the Registrar of Companies, Goa, Daman and Diu, bearing CIN - L65910GA2009PLC006177. The registered office of PAC is situated at Jai Kisaan Bhawan, Zuarinagar, Goa - 403 726. The corporate office of PAC is situated at Global Business Park, Tower 'A', 5th Floor, M.G. Road, Gurgaon - 122 002, Haryana.

2.4 PAC is the holding company of the Acquirer. PAC is a part of the Adventz Group which is controlled by Mr. Saroj Kumar Poddar.

2.5 The equity shares of the PAC are listed on BSE (Scrip ID: ZUARIAGRO, Scrip Code: 534742) and NSE (Symbol: ZUARI, ISIN: INE840M01016). The equity shares of the PAC were listed on BSE and NSE on November 27, 2012 pursuant to demerger of the fertilizer business of Zuari Global Limited (erstwhile Zuari Industries Limited) into PAC.

2.6 The issued and paid up share capital of PAC is INR 42,05,80,060 (Rupees Forty Two Crores Five Lacs Eighty Thousand and sixty) comprising of 4,20,58,006 equity shares of INR 10 each. The brief shareholding pattern of PAC as of September 30, 2014 is provided below:

Shareholder	Number of equity shares	% of total issued equity shares
Promoter & Promoter Group		
Zuari Global Limited	84,11,601	20.00
Globalware Trading and Holdings Limited	70,12,000	16.67
Zuari Management Services Limited	50,78,909	12.08
SIL Investments Limited*	32,08,000	7.63
Texmaco Infrastructure & Holdings Limited	30,00,125	7.13
Adventz Investments & Holdings Limited#	12,36,852	2.94
New Eros Tradecom Limited	11,96,767	2.85
Coltrane Corpn Limited	4,79,750	1.14
Pilani Investment & Ind Corp Limited	4,34,000	1.03
Jeewan Jyoti Medical Society	1,38,550	0.33
RTM Investment & Trading Company Limited*	1,10,768	0.26
Adventz Securities Enterprises Limited	98,804	0.23
Adventz Finance Private Limited	85,789	0.20
Duke Commerce Limited	81,000	0.19
Saroj Kumar Poddar	79,406	0.19
Jyotsna Poddar	71,621	0.17
Ronson Traders Limited*	63,200	0.15
SCM Investment & Trading Company Limited*	35,000	0.08
Sarla Devi Birla	30,000	0.07
Adventz Investment Co Private Limited	15,000	0.04
Ricon Commerce Limited	8,100	0.02
Sub Total	**3,08,75,242**	**73.41**
Public	**1,11,82,764**	**26.59**
Grand Total	**4,20,58,006**	**100.00**

#Pursuant to an order dated June 2, 2014 passed by the Honorable High Court of Calcutta, Adventz Investments & Holdings Limited has been merged with Adventz Finance Private Limited.

**Pursuant to the intimation dated December 8, 2014 sent by PAC to BSE Limited and National Stock Exchange Limited, shareholding of SIL Investments Limited, RTM Investment & Trading Company Limited, Ronson Traders Limited and SCM Investment & Trading Company Limited in the PAC has been re-classified from "Promoter category" to "Public Category". Pursuant to the re-classification, the revised holding of Promoter & Promoter Group in the PAC is 2,74,58,274 shares which amounts to 65.29% of the equity share capital of the PAC.*

As on September 30, 2014, no public shareholder held more than 5% of the equity share capital of PAC.

2.7 The directors of PAC are Mr. Saroj Kumar Poddar, Mr. N. Suresh Krishnan, Mr. Akshay Poddar, Mr. J. N. Godbole, Mr. Marco Wadia and Mr. Gopal Krishna Pillai.

2.8 PAC does not hold any Shares of the Target Company.

2.9 Except for the following agreements with the Target Company and being a part of the promoter group of the Target Company, PAC, its directors (as set out in paragraph 2.7 above) and its key managerial employees have no interest in the Target Company and there are no directors representing PAC on the Board of Directors of the Target Company:

2.9.1 PAC has executed a contract manufacturing agreement dated March 13, 2014 with the Target Company for manufacturing of Di Ammonium Phosphate and NPK (20:20:0:13).

2.9.2 PAC has executed a memorandum of understanding dated April 11, 2014 with the Target Company for sale of Di Ammonium Phosphate and Muriate of potash on high sea sale basis.

2.9.3 PAC has executed a High Sea Sales agreement dated November 7, 2014 with the Target Company for sale of Phosphoric Acid.

2.9.4 PAC has executed a contract for Handling & Transportation of Imported Fertilizers dated November 15, 2014 with the Target Company.

2.10 As on the date of this DPS, the PAC has not acquired any Shares of the Target Company post the date of the PA.

2.11 PAC has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B of SEBI Act or any other regulations made thereunder.

2.12 The key financial information of PAC is as follows:

All figures in INR crores; EPS in INR/share

Particulars	6 Months Ended September 30, 2014 (Standalone)	Year Ended March 31, 2014 (Consolidated)	Year Ended March 31, 2013 (Consolidated)	Year Ended March 31, 2012 (Consolidated)
TOTAL REVENUE	2,580.71	7,420.81	7,990.63	8,314.67
NET INCOME	(15.95)	(44.25)	64.30	164.42
EARNINGS PER SHARE (EPS)	(7.56)*	(10.52)	15.29	49.35
NET WORTH/ SHAREHOLDER FUNDS	785.20	1,017.40	1,069.01	1,019.48

Notes:

1. *The financial information set forth above has been extracted from the audited consolidated financial statements of PAC as at and for the financial years ended March 31, 2014, March 31, 2013, March 31, 2012 and from the limited reviewed standalone financial statements of PAC as at and for the 6 month period ended September 30, 2014;*
2. *The fertilizer business of Zuari Global Limited (erstwhile Zuari Industries Limited) was demerged into PAC with effect from July 1, 2011.*

**EPS is calculated on the basis of net income for 6 month period ended September 30, 2014 and is annualized.*

3. RELATIONSHIP BETWEEN THE ACQUIRER AND PAC

The Acquirer is a wholly-owned subsidiary of the PAC.

B. DETAILS OF SELLER:

Not applicable

C. INFORMATION ABOUT THE TARGET COMPANY:

1. The Target Company, a public limited company, was incorporated on July 18, 1966 as 'Malabar Chemicals & Fertilizers Limited' in Bangalore under the provisions of the Companies Act, 1956, as amended. The name was subsequently changed to 'Mangalore Chemicals & Fertilizers Limited' on August 25, 1971. There has been no change in the name of the Target Company in the last 3 (three) years.
2. The Target Company is engaged in the manufacturing and sale of urea, di-ammonium phosphate and complex fertilizers, ammonium bi-carbonate, sulphonated naphthalene formaldehyde, plant nutrition products and plant protection chemicals. It has one manufacturing facility located at Penambur, Mangalore in Karnataka.
3. The Target Company is registered with the Registrar of Companies, Karnataka, bearing CIN - L24123KA1966PLC002036. Its registered office is situated at UB Tower, Level 11, UB City, No. 24, Vittal Mallya Road, Bangalore - 560001.
4. The Shares of the Target Company are listed on BSE (Scrip ID: MANGCHEM, Scrip Code: 530011), NSE (Symbol: MANGCHEFER, ISIN: INE558B01017) and Bangalore SE.
5. The issued, subscribed and paid-up share capital of the Target Company as on the date of this DPS is INR 118,51,51,500 (Rupees One Hundred Eighteen Crore Fifty One Lakhs Fifty One Thousand Five Hundred) comprising of 11,85,15,150 Shares. As on the date of this DPS, there are no partly paid-up Shares or instruments convertible into Shares issued by the Target Company.
6. Based on the information available on the websites of the Stock Exchanges, the Shares of the Target Company are frequently traded on the BSE and NSE and infrequently traded on Bangalore SE (within the meaning of Regulation 2(1)(j) of the SEBI Takeover Regulations).
7. Key financial information of the Target Company is as follows:

All figures in INR crores; EPS in INR/Share

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012
TOTAL REVENUE	3,314.81	2,790.04	3,720.13
NET INCOME	70.93	66.57	69.10
EARNINGS PER SHARE (EPS)	5.99	5.62	5.83
NET WORTH/SHAREHOLDER FUNDS (Refer Note 2)	555.78	501.49	451.55

Notes:

1. *The financial information set forth above has been extracted from the audited financial statements of the Target Company as at and for the financial year ended March 31, 2014, March 31, 2013 and March 31, 2012.*
2. *The Net Worth is excluding revaluation reserves.*

D. DETAILS OF THE OFFER:

1. This Offer is being made by the Acquirer and the PAC to all the Public Shareholders, for the acquisition of up to 3,07,00,000 (Three Crore Seven Lakh) Shares, representing 25.90% (Twenty Five Point Nine Per Cent) of the Voting Share Capital (the "**Offer Size**").
2. All validly tendered Shares under the Offer shall be acquired by the Acquirer. The consideration payable for the Shares accepted under the Offer shall be paid by the Acquirer and therefore all the financial obligations under the Offer shall be met by the Acquirer.
3. The Acquirer will acquire only such Shares that are fully paid up, free from all liens, charges and encumbrances and the Shares shall be acquired together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereon.
4. The offer price of INR 91.92 (Rupees Ninety One and Paise Ninety Two only) per Share (the "**Offer Price**") will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI Takeover Regulations.
5. As on the date of this DPS, to the best of the knowledge of the Acquirer and PAC, no statutory approvals other than as indicated in **Part VI (Statutory and Other Approvals)** below are required to acquire the Shares that are tendered pursuant to the Offer. However, in case of any other statutory approvals being required by the Acquirer and/or PAC at a later date before the closure of the tendering period, this Offer shall be subject to such further approvals and the Acquirer and/or PAC shall make the necessary applications for such approvals.
6. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI Takeover Regulations.
7. This Offer is a voluntary offer under Regulation 6 of the SEBI Takeover Regulations. This Offer is not a competing offer under Regulation 20 of the SEBI Takeover Regulations.
8. The consummation of the Offer is subject to receipt of applicable approvals from the regulatory authorities, the details of which are provided in **Part VI (Statutory and Other Approvals)** of this DPS. In the event, such approvals are not received by the Acquirer and the PAC on account of reasons outside the control of the Acquirer/PAC, the Acquirer/PAC shall have the right to withdraw the Offer in accordance with Regulation 23 of the SEBI Takeover Regulations. In the event of such a withdrawal of this Offer, the Acquirer and the PAC (through the Manager to the Offer) shall make a public announcement within 2 (two) working days of such withdrawal, in the same newspapers in which this DPS is published and such public announcement will also be sent to the Stock Exchanges, the SEBI and the Target Company at its registered office.
9. In terms of Regulation 25(2) of the SEBI Takeover Regulations, the Acquirer and PAC do not currently have any intention to alienate, restructure, dispose of or otherwise encumber any assets of the Target Company in the succeeding 2 (two) years from the completion of this Offer, except in the ordinary course of business. The Acquirer and PAC undertake that they will not restructure, sell, lease, dispose of or otherwise encumber any substantial assets of the Target Company other than in the ordinary course of business, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot during the succeeding 2 (two) years from the completion of this Offer.
10. As per Clause 40A of the listing agreement read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended (the "**SCRR**"), the Target Company is required to maintain at least 25% (Twenty Five Per Cent) public shareholding ("**Minimum Public Shareholding**"), as determined in accordance with SCRR, on a continuous basis for listing. As a result of the Shares acquired under the Offer, the public shareholding in the Target Company shall not fall below the Minimum Public Shareholding requirement.
11. The Manager to the Offer does not hold any Shares as on the date of this DPS. The Manager to the Offer further declares and undertakes not to deal on its own account in the Shares during this Offer period.
12. A copy of this DPS will be (i) submitted to SEBI through the Manager to the Offer; (ii) sent to the Stock Exchanges; and (iii) sent to the Target Company at its registered office for placement before the board of directors of the Target Company.
13. In terms of Regulation 6(1) of the SEBI Takeover Regulations, during the Offer period, neither the Acquirer nor the PAC will acquire any Shares other than those tendered in the Offer.

II. BACKGROUND TO THE OFFER

1. The Offer is a voluntary open offer, being made to the Public Shareholders of the Target Company pursuant to Regulation 6 of the SEBI Takeover Regulations.
2. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI Takeover Regulations.
3. The objective of this Offer is to seek to consolidate the shareholding of the Acquirer in the Target Company. The Acquirer and the PAC believe that the line of business of the Acquirer and PAC being similar to the line of business of the Target Company, the successful completion of the Offer will create synergies between the operations of the Target Company and those of the Acquirer and PAC. The Acquirer and the PAC intend to continue with the existing line of business of the Target Company and expand it with financial support and by harnessing the aforesaid synergies.

III. SHAREHOLDING AND ACQUISITION DETAILS

1. As on the date of this DPS, the current and proposed shareholding of the Acquirer and PAC in the Target Company and the details of the acquisition are as follows:

Shareholding	Acquirer		PAC		Total
	Number of Shares	%	Number of Shares	%	
As on the date of the PA	1,95,14,211	16.47	Nil	Nil	1,95,14,211 Equity Shares representing 16.47% of the Voting Share Capital
Shares acquired between the date of the PA and this DPS	Nil	Nil	Nil	Nil	Nil
Shareholding as on the date of this DPS	1,95,14,211	16.47	Nil	Nil	1,95,14,211 Equity Shares representing 16.47% of the Voting Share Capital
Post Offer Shareholding as of the 10th workingday after the closure of the Offer*	5,02,14,211	42.37	Nil	Nil	5,02,14,211 Equity Shares representing 42.37% of the Voting Share Capital

**Assuming full subscription in the Offer*

2. Other than as disclosed in this DPS, the Acquirer, PAC and their directors do not hold any Shares of the Target Company.

IV. OFFER PRICE

1. The Shares of the Target Company are listed on the NSE, BSE and Bangalore SE.
2. The annualized trading turnover in the Shares on the NSE, BSE and Bangalore SE based on trading volume during the 12 (twelve) calendar months prior to the month of the PA (December 1, 2013 to November 30, 2014) is as given below:

Stock Exchange	Number of Shares traded (A)	Number of Shares (B)	(A) as % of (B)
NSE	4,79,50,990	11,85,15,150	40.46%
BSE	2,32,82,021	11,85,15,150	19.64%
Bangalore SE	Trading data is Not Available		

(Source: www.bseindia.com and www.nseindia.com)

3. Based on the information available on the websites of the Stock Exchanges, the Shares are frequently traded on the NSE and BSE and infrequently traded on the Bangalore SE (within the meaning of Regulation 2(1)(j) of the SEBI Takeover Regulations). The Offer Price of INR 91.92 (Rupees Ninety One and Paise Ninety Two only) per Share has been determined and justified in terms of Regulation 8(2) of the SEBI Takeover Regulations, being higher than the highest of the following:

No.	Particulars	Price Per Share (INR)
1.	The highest negotiated price per Share for acquisition under the agreement attracting the obligation to make the Offer	Not applicable
2.	The volume weighted average price paid or payable for acquisitions, whether by the Acquirer or by any PAC during the 52 weeks immediately preceding the date of the PA.*	81.60
3.	The highest price paid or payable for any acquisition whether by the Acquirer or by any PAC, during the 26 weeks immediately preceding the date of the PA.	81.60
4.	The volume-weighted average market price of Shares for a period of 60 trading days immediately preceding the date of the PA as traded on the NSE, being the Stock Exchange where the maximum volume of trading in the Shares was recorded during such period.	91.9133

**The Acquirer acquired 42,424 shares in the open offer made pursuant to the public announcement dated May 12, 2014 at a price of ₹81.60 per share, plus interest of INR 1.30 per Equity Share calculated at 10% per annum per Equity Share payable to the successful shareholders for the validly accepted shares due to the delay in payment beyond the scheduled payment date. Other than the aforementioned, neither the Acquirer, nor the PAC have acquired any shares during 52 weeks immediately preceding the date of the Public Announcement.*

(Source: Certificate dated December 9, 2014 from M/s. K. J. Sheth & Associates (Chartered Accountants))

4. In view of various parameters considered and presented in the table above, in the opinion of the Acquirer, PAC and the Manager to the Offer, the Offer Price, being higher than the highest of the prices mentioned above, is justified in terms of Regulation 8 of the SEBI Takeover Regulations.
5. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI Takeover Regulations. (*Source: www.nseindia.com, www.bseindia.com*). The Offer Price may be revised in the event of any corporate actions like bonus, rights, split etc. where the record date for effecting such corporate actions falls within 3 (three) working days prior to the commencement of tendering period of the Offer.
6. In terms of Regulation 6(1) of the SEBI Takeover Regulations, during the Offer Period, neither the Acquirer nor the PAC will acquire any Shares other than those tendered in the Offer.
7. Any upward revision in the Offer Price and/or Offer Size may be done at any time prior to the commencement of the last 3 (three) working days before the date of commencement of the tendering period and will be notified to the Public Shareholders. This is in accordance with Regulation 18(4) of the SEBI Takeover Regulations. Such revision would be done in compliance with other formalities prescribed under the SEBI Takeover Regulations.

V. FINANCIAL ARRANGEMENTS

1. The total funding requirement for the Offer, i.e. for the acquisition of up to 3,07,00,000 (Three Crore Seven Lakh) Shares at the Offer Price, is INR 282,19,44,000 (Rupees Two Hundred and Eighty Two Crore, Nineteen Lakhs, Forty Four Thousand only), assuming full acceptance of this Offer (the "**Total Consideration**").
2. The Acquirer has made firm financial arrangements for financing the acquisition of Shares under the Offer, in terms of Regulation 25(1) of the SEBI Takeover Regulations. The Acquirer proposes to fund the Offer from its domestic bank accounts and/or through the PAC, from its available/arranged domestic funds through infusion of share capital and/or extension of loan and/or inter-corporate deposits to the Acquirer.
3. The Acquirer has furnished an unconditional, irrevocable and on demand bank guarantee dated December 9, 2014 in favour of the Manager to the Offer from HDFC Bank Limited acting through its Panjim branch, Goa having bank guarantee No: 059GT01143430002 for an amount of INR 70,55,00,000 (Rupees Seventy Crores Fifty Five Lacs only) (the "**Bank Guarantee**") in terms of Regulation 17(3)(b) of the SEBI Takeover Regulations, which is more than the minimum prescribed amount of 25% of the Offer Size calculated in accordance with Regulation 17(1) of the SEBI Takeover Regulations. The Manager to the Offer has been duly authorised to realize the value of the Bank Guarantee in terms of the SEBI Takeover Regulations.
4. Further, the Acquirer and the Manager to the Offer have, entered into an escrow agreement dated December 9, 2014 with HDFC Bank Limited acting through its branch at Manekji Wadia Building, Ground Floor, Nanik Motwani Marg, Fort, Mumbai - 400001 (the "**Escrow Agent**"), in terms of which the Acquirer has opened a cash escrow account (the "**Escrow Account**") with the Escrow Agent. The Acquirer has deposited a sum of INR 2,83,00,000 (Rupees Two Crores Eighty Three Lakhs) in the Escrow Account being higher than the amount required under Regulation 17(4) of the SEBI Takeover Regulations (i.e. 1% (one per cent) of the Total Consideration). The Manager to the Offer has been authorized by the Acquirer to operate and realize the monies lying to the credit of the Escrow Account in terms of the SEBI Takeover Regulations.
5. V. Sankar Aiyar & Co., Chartered Accountants (having membership no. 081350), having their address at Satyam Cinema Complex, Ranjit Nagar Community Centre, New Delhi - 110008, have *vide* their letter dated December 4, 2014, certified on the basis of the examination of the financial accounts of the Acquirer and PAC, that the Acquirer and PAC individually/jointly have adequate liquid financial resources (assets that can be realized) to fulfill all their financial obligations relating to the Offer.
6. Based on the above, the Manager to the Offer is satisfied that firm financial arrangements through verifiable means have been put in place by the Acquirer to fulfill the payment obligations of the Acquirer and PAC under this Offer in accordance with the SEBI Takeover Regulations.
7. In case of any upward revision in the Offer Price and or the Offer Size, the Bank Guarantee amount and/or the cash in the Escrow Account shall be increased by the Acquirer prior to effecting such revision, in terms of Regulation 17(2) of the SEBI Takeover Regulations.

VI. STATUTORY AND OTHER APPROVALS

1. The Acquirer and the PAC had earlier received an approval from the Competition Commission of India ("CCI") vide an order dated September 4, 2014, as published on September 15, 2014 to acquire up to 3,08,13,939 equity shares of the Target Company representing 26% of the share capital of the Target Company pursuant to an open offer. However, the Acquirer had acquired only 42,424 equity shares of the Target Company pursuant to such approval. Pursuant to this Offer, the Acquirer seeks to acquire upto 3,07,00,000 equity shares representing 25.90% of the share capital of the Target Company. The Acquirer is in the process of engaging with the CCI and intimating this fact to the CCI. In the event a specific approval is required by the Acquirer in relation to this Offer, the Acquirer shall file an application with the CCI for the necessary approval.
2. As of the date of this DPS, to the best of the knowledge of the Acquirer and/or PAC, there are no statutory approvals required by the Acquirer and/or PAC to complete this Offer other than as set out in the paragraph above. However, in case any such statutory approvals are required by the Acquirer and/or PAC at a later date before the closure of the tendering period, this Offer shall be subject to such approvals and the Acquirer and/or PAC shall make the necessary applications for such statutory approvals.
3. The acquisition of Shares tendered by NRIs and OCBs are subject to approval/exemption, if applicable, from the Reserve Bank of India. NRI and OCB holders of Shares, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI or FIPB) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including from the RBI or FIPB) in respect of the Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Shares, to tender the Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and/or PAC reserve the right to reject such Shares tendered in this Offer.
4. Subject to the receipt of statutory approvals, the Acquirer and PAC shall complete all requirements relating to this Offer within 10 working days from the date of closure of the tendering period to those Public Shareholders whose share certificates and other documents are found valid and in order and are accepted for acquisition by the Acquirer.
5. In case of delay in receipt of any statutory approvals mentioned above or which may be required by the Acquirer and/or PAC at a later date, as per Regulation 18(11) of the SEBI Takeover Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Public Shareholders at such rate, as may be specified by the SEBI from time to time. Provided where the statutory approvals extend to some but not all holders of the Shares, the Acquirer and/or PAC will have the option to make payment to such holders of the Shares in respect of whom no statutory approvals are required in order to complete this Offer.
6. The Acquirer and/or PAC may withdraw the Offer under Regulation 23 of the SEBI Takeover Regulations in the event that the approvals specified herein above are not obtained or are finally refused or are otherwise not met with for reasons outside the reasonable control of the Acquirer and/or PAC. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) working days of such withdrawal, in the same newspapers in which this DPS is published and such public announcement will also be sent to the Stock Exchanges, the SEBI and the Target Company at its registered office.

VII. TENTATIVE SCHEDULE OF ACTIVITY

No.	Activity	Day & Date
1.	Issue of PA	Thursday, December 04, 2014
2.	Publication of this DPS in the newspapers	Thursday, December 11, 2014
3.	Filing of the Draft Letter of Offer with SEBI	Thursday, December 18, 2014
4.	Last date for Public Announcement of a competing offer as per the first detailed public statement	Friday, January 02, 2015
5.	Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Friday, January 09, 2015
6.	Identified Date*	Tuesday, January 13, 2015
7.	Last date by which the Letter of Offer is required to be dispatched to shareholders	Tuesday, January 20, 2015
8.	Last date for upward revision of the Offer Price/Offer Size	Thursday, January 22, 2015
9.	Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Friday, January 23, 2015
10.	Last date of publication of the Offer opening Public Announcement	Tuesday, January 27, 2015
11.	Date of commencement of tendering period (Offer Opening Date)	Wednesday, January 28, 2015
12.	Date of expiry of tendering period (Offer Closing Date)	Tuesday, February 10, 2015
13.	Date by which all requirements including payment of consideration would be completed	Wednesday, February 25, 2015

**Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer shall be mailed. It is clarified that all the Public Shareholders (registered or unregistered) who own Equity Shares of the Target Company are eligible to participate in this Offer at any time before expiry of the tendering period.*

VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER

1. Every Public Shareholder, regardless of whether such person held Shares on the Identified Date, or has not received the Letter of Offer, or holds Shares in physical or dematerialized form, registered or unregistered, is entitled to participate in the Offer.
2. The Letter of Offer specifying the detailed terms and conditions of this Offer along with the Form of Acceptance-cum-Acknowledgement (the "**Form of Acceptance**") will be mailed to all the Public Shareholders whose name appears in the register of members of the Target Company as at the close of business hours on the Identified Date.
3. Persons who have duly acquired the Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners of Shares or those who have acquired the Shares after the Identified Date or those who have not received the Letter of Offer, may participate in this Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer as per the terms and conditions of the Offer as set out in this DPS and to be set out in the Letter of Offer. Alternatively, such holders of Shares may apply by submitting the Form of Acceptance in relation to the Offer annexed to the Letter of Offer which may also be obtained from the website of SEBI (www.sebi.gov.in) or from Cameo Corporate Services Limited (the "**Registrar to the Offer**"). The application is to be sent to the Registrar to the Offer at the address mentioned below in Part X, paragraph 5 so as to reach the Registrar to the Offer on or before 5:00 p.m. on Tuesday, February 10, 2015 (i.e. the date of closure of the tendering period of this Offer) together with:
   i. In case of registered shareholders holding Shares in physical form, the name, address, number of Shares held, number of Shares offered, distinctive numbers and folio number together with the original equity share certificate/s and valid transfer deeds. Unregistered shareholders can send their application in writing to the Registrar to the Offer on plain paper stating the name & address of the first holder, name(s) & address(es) of joint holder(s) if any, number of Shares held, number of Shares offered, distinctive numbers, folio number, together with the original equity share certificate(s), valid share transfer deeds and the original contract note(s) issued by the broker through whom they acquired their Shares and/or such other documents as may be specified; or
   ii. In the case of Shares held in dematerialized form, name of Depository Participant (the "**DP**"), DP ID, beneficiary account number together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Shares to the special depository account ("**Escrow Demat Account**") opened by the Registrar to the Offer. The shareholders tendering Shares in demat form should ensure credit of Shares in the favour of the Escrow Demat Account prior to closure of tendering period for the Offer. Form of Acceptance, in respect of dematerialized Shares not credited to the Escrow Demat Account on or before 4:00 p.m. on the date of closure of the tendering period for this Offer, is liable to be rejected. Details of the Escrow Demat Account are given below:

DEPOSITORY PARTICIPANT NAME	Stock Holding Corporation of India Limited
DP IDENTIFICATION NUMBER	IN301080
CLIENT IDENTIFICATION NUMBER	22847941
ACCOUNT NAME	Cameo Corporate Services Ltd Escrow A/c MCFL Open Offer
DEPOSITORY	National Securities Depository Limited

Shareholders having their beneficial account with the Central Depository Services (India) Limited have to use inter-depository delivery instruction slips for the purpose of crediting their Equity Shares of the Target Company in favour of the Escrow Demat Account with National Securities Depository Limited.

4. Shareholders may also download: (a) the Letter of Offer from the website of SEBI (www.sebi.gov.in); or (b) obtain a copy of Letter of Offer by writing to the Registrar to the Offer or Manager to the Offer superscripting the envelope "**Mangalore Chemicals & Fertilizers Limited** - **Open Offer**" with suitable documentary evidence of ownership of the said Shares, their folio number, DP identity - Client identity, current address and contact details.

IX. THE DETAILED PROCEDURE FOR TENDERING THE SHARES IN THIS OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER.

X. OTHER INFORMATION

1. For the purposes of disclosures in this DPS relating to the Target Company, the Acquirer and the PAC have relied on the information provided by the Target Company and/or publically available information and have not independently verified the accuracy of the details of the Target Company.
2. The Acquirer and the PAC and their respective directors accept full responsibility for the information contained in the PA and this DPS (other than such information as has been obtained from public sources or provided by the Target Company) and for the fulfillment of obligations under the SEBI Takeover Regulations in respect of this Offer.
3. Pursuant to Regulation 12 of the SEBI Takeover Regulations, the Acquirer and PAC have appointed ICICI Securities Limited as the Manager to the Offer.
4. This DPS and the PA is also expected to be available on the SEBI's website (www.sebi.gov.in).
5. The Acquirer has appointed Cameo Corporate Services Limited as the Registrar to the Offer. Address: Subramanian Building, No.1 Club House Road, Chennai 600 002; Tel: +91-44-28460390; Toll Free No.: 1800-102-3669; Fax: +91-44-28460129; E-mail: mcfl.openoffer@cameoindia.com; Website: www.cameoindia.com; Contact Person: Ms. Sreepriya .K, Head - RTA & Company Secretary; SEBI Registration Number: INR000003753.
6. In this DPS, any discrepancy in any table between the total and sums of the amount listed is due to rounding off and/or regrouping.

ISSUED FOR AND ON BEHALF OF THE ACQUIRER AND THE PAC BY THE MANAGER TO THE OFFER

ICICI SECURITIES LIMITED
ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India
Tel: (+91 22) 2288 2460; **Fax:** (+91 22) 2282 6580
Email: project.ather@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Ayush Jain / Mr. Vishal Kanjani
SEBI Registration Number: INM000011179

Date : December 10, 2014
Place : Mumbai

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