DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This letter of offer ("**Draft Letter of Offer**" / **"DLoF"**) is sent to you as a Public Shareholder (as defined below) of Mangalore Chemicals & Fertilizers Limited (**"MCF" / "Target Company" / "Target").** If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager / the Registrar to the Offer. In case you have recently sold your Equity Shares in MCF, please hand over the Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement ("**Acceptance Form**") and Transfer Deed to the member of stock exchange through whom the said sale was effected.

OPEN OFFER ("OFFER")

BY

SCM SOILFERT LIMITED

A public limited company incorporated under the Companies Act, 1956
Registered office: Deepak Complex, Opp Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra-411006
(Tel: +91 20 6645 8000, Fax: +91 20 6668 3723)
(hereinafter referred to as the "**Acquirer**")

ALONG WITH

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

A public limited company incorporated under the Companies Act, 1956
Registered office: Opp Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra-411006
(Tel: +91 20 6645 8000, Fax: +91 20 2668 3723)
(hereinafter referred to as "**PAC** " / "**DFPCL**")

At ₹ 63/- (Rupees Sixty Three only) ("Offer Price") payable in cash per fully paid up equity share of face value ₹10/- each ("Equity Shares") of the Target Company, to acquire up to 30,813,939 Equity Shares representing 26.0% of the Emerging Voting Capital under the Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, ("SEBI (SAST) Regulations") from the Public Shareholders

OF

MANGALORE CHEMICALS & FERTLIZERS LIMITED

A public limited company incorporated under the Companies Act, 1956
Registered office: Level 11, UB Tower, UB City, 24 Vittal Mallya Road, Bangalore – 560 001
Tel: +91 80 2220 8990 Fax: +91 80 2220 8989

1. This Offer is made pursuant to and in compliance with the provisions of Regulation 3(1) of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer and is not subject to any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. This Offer is subject to certain statutory approvals and regulatory and other approvals as set out in paragraph VI - Statutory and Other approvals.
5. The Acquirer and PAC may revise the Offer Price or size of the Offer up to 3 (three) Working Days prior to the opening of the Tendering Period (as defined hereinafter), i.e. up to June 12, 2014. Any such upward revision would be informed by way of a public announcement in the same newspapers and editions in which the Detailed Public Statement (as defined hereinafter) had appeared. The revised price payable pursuant to such revision of the Offer Price would be payable for all the Equity Shares validly tendered at any time during the Tendering Period and accepted under the Offer.
6. **There has been no competing offer as on the date of this Draft Letter of Offer.**
7. **If there is a competing offer, the open offers under all subsisting bids will open and close on the same date.**
8. A copy of the Public Announcement (as defined below), the Detailed Public Statement and the Letter of Offer (including the Acceptance Form) is also available on the website of SEBI (www.sebi.gov.in).

MANAGER TO THE OFFER	**REGISTRAR TO THE OFFER**
JM FINANCIAL **JM Financial Institutional Securities Limited** 7th floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India Tel: +91 22 6630 3030, Fax: +91 22 6630 3330 Contact Person: Ms. Lakshmi Lakshmanan Email: lakshmi.lakshmanan@jmfl.com	LINK INTIME INDIA PVT LTD **Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West), Mumbai - 400 078, India Tel: +91 22 2596 7878, Fax: +91 22 2596 0329 Contact Person: Mr. Pravin Kasare Email: mcf.offer@linkintime.co.in

The schedule of activities under the Offer is as follows:

Activity	Day And Date
Date of Public Announcement	Wednesday, April 23, 2014
Date of publication of the Detailed Public Statement	Thursday, May 01, 2014
Filing of the Draft Letter of Offer with SEBI	Thursday, May 08, 2014
Last date for a competing offer(s)	Friday, May 23, 2014
Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Friday, May 30, 2014
Identified Date*	Tuesday, June 03, 2014
Date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	Tuesday, June 10, 2014
Last date for revision of the Offer Price / Offer Size	Wednesday, June 11, 2014
Last date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer	Thursday, June 12, 2014
Date of publication of Offer Opening Public Announcement in the newspapers in which the DPS has been published	Monday, June 16, 2014
Date of commencement of Tendering Period (Offer Opening Date)	Tuesday, June 17, 2014
Date of expiry of Tendering Period (Offer Closing Date)	Monday, June 30, 2014
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	Monday, July 14, 2014
Last date for publication of post-Offer public announcement in the newspapers in which this DPS has been published	Monday, July 21, 2014

** The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be mailed. It is clarified that all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in this Offer at any time prior to the closure of this Offer.*

RISK FACTORS

Given below are the risk factors relating to the Offer and the probable risks involved in associating with the Acquirer and PAC. For capitalized terms used herein please refer to the definitions set out below.

Risk factors relating to the Offer

- This Offer is subject to receipt of the statutory / regulatory approvals as set out in paragraph VI – Statutory and Other approvals of this Draft Letter of Offer.

- In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that these approvals are not received or are refused, or are otherwise not met with for reasons outside the reasonable control of the Acquirer and PAC, the Acquirer and PAC shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and the PAC (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

- In the event of delay in receipt of approvals, this Offer may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Equity Shareholders, whose Equity Shares are accepted in this Offer, may be delayed. In case the delay is due to non-receipt of statutory / regulatory approval(s), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, permit the Acquirer and the PAC to delay the commencement of the Tendering Period for the Offer pending the receipt of such approvals or grant an extension for the purpose of completion of the Offer subject to the Acquirer agreeing to pay interest to the validly tendering Public Shareholders.

- The acquisition of the Offer Shares from NRIs and erstwhile OCBs is subject to the approval or exemption of the RBI. Where any such statutory approval or exemption extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer.

- In the event of any litigation leading to a stay on the Offer by a court of competent jurisdiction, or SEBI instructing that the Offer should not proceed, the Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer.

- The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the Public Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares during such period. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

- This is an Offer to acquire not more than 26.0% of the Emerging Voting Capital of the Target Company from the Public Shareholders. In the case of over subscription in the Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in this Offer will be accepted.

- Further, Public Shareholders should note that, under the SEBI (SAST) Regulations, once Public Shareholders have tendered their Equity Shares, they will not be able to withdraw their Equity Shares from the Offer even in the event of a delay in the acceptance of Equity Shares under the Offer and/or the dispatch of consideration.

- Public Shareholders tendering their Equity Shares in this Offer will be doing so prior to receipt of consideration in relation to such tendered Equity Shares as the Acquirer and PAC have up to 10 (ten) working Days from the date of closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in this Offer.

- The Acquirer, the PAC and the Manager to the Offer accept no responsibility for the statements made otherwise than in this Draft Letter of Offer, the DPS and/or the PA and anyone placing reliance on any other source of information (not released by the Acquirer, the PAC or the Manager to the Offer) would be doing so at his/her/ their/its own risk.

Probable risks involved in associating with the Acquirer and the PAC

- None of the Acquirer, the PAC or the Manager makes any assurance with respect to the continuation of past trends in the financial performance of the Target Company.

- None of the Acquirer, the PAC or the Manager can provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind with respect to any decision by any Public Shareholder regarding whether or not to participate in the Offer.

- None of the Acquirer, the PAC or the Manager makes any assurance with respect to their investment or disinvestment relating to their proposed shareholding in the Target Company.

  The risk factors set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associating with the Acquirer and the PAC. They are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by any Public Shareholder in the Offer. Public Shareholders are advised to consult their stockbroker, investment consultant or tax advisor for an understanding of the further risks associated with their participation in the Offer.

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to "**Rs.**"/"**INR**"/ "**₹**" are to Indian Rupee(s), the official currency of India.

In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

TABLE OF CONTENTS

DEFINITIONS / ABBREVIATIONS

Particulars	Details / Definition
Acceptance Form	Form of Acceptance cum Acknowledgement
Acquirer/SCM	SCM Soilfert Limited
BgSE	Bangalore Stock Exchange Limited
BSE	BSE Limited
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
Combination Regulations	Competition Commission of India (Procedure for Transaction of Business relating to Combinations) Regulations, 2011, as amended
Competition Act	Competition Act, 2002, including any statutory modification or re-enactment thereof
Depositories	CDSL and NSDL
DP	Depository Participant
DPS / Detailed Public Statement	The detailed public statement in connection with the Offer, published on behalf of the Acquirer and the PAC on May 01, 2014
Draft Letter of Offer	This draft letter of offer filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
Emerging Voting Capital	118,515,150 Equity Shares, being the Equity Shares as of the 10^{th} Working Day following completion of the Offer based on publicly available data
Equity Shares	Fully paid up equity shares of MCF with face value of ₹ 10 each
FII	Foreign Institutional Investors
Identified Date	The date falling on the 10^{th} Working Day prior to the commencement of the Tendering Period for the purposes of determining the Public Shareholders to whom the LoF shall be sent
Income Tax Act	The Income Tax Act, 1961, as amended
Letter of Offer / LoF	The Letter of Offer dated [•]
Listing Agreement	Listing agreement with the Stock Exchanges, as amended from time to time
Manager	JM Financial Institutional Securities Limited
MCF	Mangalore Chemicals & Fertilizers Limited / Target / Target Company
NAV	Net Asset Value per equity share
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
NRIs	Non-resident Indians
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas Corporate Bodies
Offer / Open Offer	Open offer being made by the Acquirer and the PAC to the Public Shareholders of the Target to acquire up to 30,813,939 Equity Shares, representing 26.0% of the Emerging Voting Capital, at a price of ₹ 63/- (Rupees Sixty Three only) per Equity Share
Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period made on behalf of the Acquirer and the PAC
Offer Price	₹ 63/- (Rupees Sixty Three only) per Offer Share
Offer Shares	30,813,939 Equity Shares, representing 26.0% of the Emerging Voting Capital of the Target Company
Offer Size	₹ 1,94,12,78,157 (Rupees One Hundred Ninety Four Crores Twelve Lakhs Seventy Eight

Particulars	Details / Definition
	Thousand One Hundred and Fifty Seven only), being the maximum consideration payable under this Offer assuming full acceptance
Open Offer Escrow Account	The account opened with The Hongkong And Shanghai Banking Corporation Limited, New Delhi Branch in accordance with Regulation 17(4) of the SEBI (SAST) Regulations
Open Offer Escrow Demat Account	The special depository account opened by the Registrar to the Offer with Ventura Securities Limited for receiving Equity Shares tendered during the Offer
PAC	Deepak Fertiliser And Petrochemicals Corporation Limited/ DFPCL
PAN	Permanent Account Number
Public Announcement / PA	The public announcement in connection with the Offer dated April 23, 2014 issued by the Manager on behalf of the Acquirer and the PAC prior to issuing the purchase order, and sent to the Stock Exchanges and SEBI on April 23, 2014 and sent to the Target Company on April 25, 2014
Public Shareholders	The shareholders and beneficial owners (registered or otherwise) of Equity Shares, other than the Acquirer and persons acting in concert or deemed to be acting in concert with the Acquirer
Purchase Shares	10,01,309 Equity Shares of Mangalore Chemicals & Fertilizers Limited acquired by the Acquirer vide Purchase Order dated April 23, 2014
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited
RTGS	Real Time Gross Settlement
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	SEBI Act, 1992, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Stock Exchanges	BSE, NSE and BgSE where Equity Shares of the Target Company are currently listed
Target / Target Company	Mangalore Chemicals & Fertilizers Limited / MCF
Tendering Period	June 17, 2014 to June 30, 2014, both days inclusive
Working Day(s)	Working day of SEBI

I. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, PAC OR THE TARGET COMPANY WHOSE SHARES IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 08, 2014 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

II. DETAILS OF THE OFFER

Background to the Offer

1. This Offer is a mandatory offer being made by the Acquirer and PAC, in accordance with Regulation 3(1) of the SEBI (SAST) Regulations, pursuant to the proposal by the Acquirer to place a purchase order for up to 20,00,000 Equity Shares of the Target Company at a price not exceeding ₹ 63/- per Equity Share.

2. The Acquirer placed a purchase order in the open market for the purchase of up to 20,00,000 Equity Shares representing 1.7% of the voting capital of the Target Company at a price not exceeding ₹63/- per Equity Share. The above trade was executed on April 23, 2014 and the Acquirer acquired 10,01,309 Equity Shares (the "**Purchase Shares**") representing 0.8% of the voting capital of the Target Company at a weighted average price of ₹62.50/- per Equity Share with the highest price paid for the acquisition being ₹63/- per Equity Share. The Purchase Shares have been credited to an escrow account opened for this purpose in respect of which the Acquirer has authorized the Manager to the Offer to issue instructions.

3. The mode of payment of consideration for acquisition of the Purchase Shares by the Acquirer is cash.

4. Pursuant to the acquisition of the Purchase Shares, as on the date of this Draft Letter of Offer, the Acquirer holds 29,992,459 shares in the Target Company, representing 25.3% of the Emerging Voting Capital of the Target Company.

5. The Acquirer and the PAC shall, jointly or severally, acquire any Equity Shares being validly tendered and accepted in the Open Offer.

6. Neither the Acquirer nor the PAC has been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

7. As per Regulation 26(6) of the SEBI (SAST) Regulations, the board of directors of the Target Company shall constitute a committee of independent directors to provide their reasoned recommendations on the Offer. The reasoned recommendations are required to be published in the same newspapers in which the DPS was published, at least two Working Days before the commencement of the Tendering Period in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

Details of the Proposed Offer

1. The Detailed Public Statement was published on May 01, 2014 in the Financial Express (all editions), English national daily, Jansatta (all editions), Hindi national daily, Navshakti (Mumbai edition), Marathi regional daily and Samyuktha Karnataka (Bengaluru edition), Kannada regional daily. A copy of the DPS is also available on the website of SEBI (www.sebi.gov.in)

2. The Acquirer and the PAC are making this Offer to all the Public Shareholders to acquire up to 30,813,939 Equity Shares ("**Offer Shares**") at a price of ₹ 63/- (Rupees Sixty Three only) per Offer Share ("**Offer Price**") for cash aggregating to ₹ 1,94,12,78,157/- (Rupees One Hundred Ninety Four Crores Twelve Lakhs Seventy Eight Thousand One Hundred and Fifty Seven only) ("**Offer Size**"). The Offer Shares represents 26.0% of the Emerging Voting Capital of MCF as on the 10th Working after the closure of the Tendering Period.

3. The Equity Shares to be acquired under the Offer must be free from all lien, charges and encumbrances and will be acquired together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof. All Equity Shares validly tendered by the Public Shareholders will be accepted at the Offer Price by the Acquirer and PAC in accordance with the terms and conditions contained in the PA, DPS and this Draft Letter of Offer.

4. The Offer is subject to the receipt of the statutory approvals as mentioned in paragraph VI – Statutory and Other approvals of this Draft Letter of Offer. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals specified in paragraph VI – Statutory and Other approvals are not obtained or are finally refused or are otherwise not met with for reasons outside the reasonable control of the Acquirer, this Offer shall stand withdrawn. In the event of such a withdrawal of the Offer, the Acquirer and the PAC (through the Manager) shall make a public announcement, within two Working Days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, Stock Exchanges and to the Target Company at its registered office.

5. There are no partly paid up Equity Shares in the share capital of the Target Company.

6. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders of the Target Company and is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. Further, there is no differential pricing for this Offer.

7. The Acquirer has acquired 10,01,309 Equity Shares of the Target Company representing 0.8% of the Emerging Voting Capital of the Target Company on April 23, 2014 at a weighted average price of ₹ 62.5/- per Equity Share for cash and the highest price paid was ₹63/- per Equity Share. Apart from the above the Acquirer and the PAC have not acquired any Equity Shares of the Target Company between the date of the PA (i.e. April 23, 2014) and the date of this Draft Letter of Offer.

8. The acquisition of the Offer Shares, together with the acquisition of the Purchase Shares that triggered the Offer shall not result in the public shareholding in the Target Company falling below the minimum level required for continuous listing under clause 40A of the Listing Agreement and Rule 19A of the SCRR.

Object of the Acquisition / Offer

1. The Acquirer and the PAC believe that MCF has a well-established brand in the urea and complex fertilizer business in India and a distribution channel in the southern part of India. The Acquirer and PAC believe that the acquisition is a strategic fit keeping in mind the synergies it offers in operations and the contiguous geographies in which the Acquirer and PAC and the Target Company operate.

2. Pursuant to the acquisition of the Equity Shares under the Offer, the Acquirer and the PAC currently do not have any intention to alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company, other than in the ordinary course of business, for a period of two years following the completion of the Offer. The Acquirer and PAC further undertake that in the event such alienation of assets of the Target Company or its

subsidiaries is required, such alienation shall not be undertaken without a special resolution passed by shareholders of the Target Company, by way of a postal ballot, wherein the notice for such postal ballot shall inter alia contain reasons as to why such alienation is necessary.

III. BACKGROUND OF THE ACQUIRER AND THE PAC

ACQUIRER

1. SCM Soilfert Limited, the Acquirer, is a public limited company incorporated on October 10, 2012 in Pune, India under the Companies Act, 1956. Its registered office is situated at Deepak Complex, Opp. Golf Course, Shastri Nagar, Yerawada, Pune – 411006.

2. SCM is promoted by DFPCL and is part of the DFPCL Group. The Acquirer is in the business of trading in fertilizers of different grades and related activities. Its main objects include the business of manufacturing, buying, selling, acquiring, marketing, processing, transporting, distributing, supplying, importing, exporting or otherwise dealing in all kinds of fertilizers, chemicals, heavy chemicals, acids, alkalis, agro-chemicals, guanos, manures, mixtures, phosphorous, rocks, phosphate-deposits, lime, marl, bones, minerals, coke, gypsum, bauxite, salt, sulphur and by-products and derivatives thereof.

3. The issued and paid up capital of SCM is 50,000 equity shares of ₹ 10/- each. The shares of SCM are not listed on any stock exchange. The entire equity share capital of SCM is held by DFPCL. Issued and paid up capital of SCM as of March 31, 2014 is as follows:

Shareholder's Category	No. of shares	Percentage of Shares Held
Promoters / Person in Control	50,000	100%
FII/ Mutual-Funds/ FIs/Banks/ICs	-	-
Public	-	-
Total Paid Up Capital	**50,000**	**100%**

4. The details of the directors of the Acquirer are as follows and none of them are on the board of directors of the Target Company:

Name of the Director	DIN	Appointment Date	Experience (please provide detailed experience)	Qualification
Somnath Annasaheb Patil	02006553	10/10/2012	Over 30 years' experience in Finance. Working as President & CFO of Deepak Fertilisers And Petrochemicals Corporation Limited	B.Com, ACA, ACS
Guy Roland Goves	01585447	10/10/2012	Over 30 years' experience in operations. Working as President Agribusiness of Deepak Fertilisers And Petrochemicals Corporation Limited	M. Com.
Raghuraman Sriraman	00228061	10/10/2012	Over 30 years' experience in Corporate Laws & recently retired from Deepak Fertilisers And Petrochemicals Corporation Limited from the position Executive Vice President (Legal) & Company Secretary	B. Sc , DBM, FCS , FICWA , B. Gen. Law

5. As the Acquirer has been recently incorporated, the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto are not applicable to the Acquirer. The Acquirer has been in compliance with the applicable provisions of Chapter V of the

SEBI (SAST) Regulations with respect to its holding in the Target Company, within the time specified in the regulations.

SI No	Regulation / Sub-Regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in no of days) Col. 4 – Col. 3	Status of compliance with Takeover Regulations	Remarks
1	**2**	**3**	**4**	**5**	**6**	**7**
1	29(1)	July 5, 2013	July 3, 2013	N. A.	Complied	N. A.
2	18(6)	April 24, 2014	April 23, 2014	N. A.	Complied	N. A.

6. The brief financial information of the Acquirer from the date of incorporation, being October 10, 2012, up to March 31, 2013 and for the nine months ended December 31, 2013 as derived from its audited annual accounts and interim unaudited financial statements is as follows:

(in ₹ Millions except for EPS)

Profit & Loss Statement	Nine Months ended December 31, 2013 (Unaudited)	Period ended March 31, 2013 (Audited)
Income from operations	-	-
Other Income	35.04	-
Total Income	35.04	-
Total Expenditure	0.02	0.05
Profit Before Depreciation Interest and Tax	35.02	(0.05)
Depreciation	-	-
Interest	8.86	-
Profit Before Tax	26.16	(0.05)
Provision for Tax	-	-
Profit After Tax	26.16	(0.05)

Balance Sheet Statement	Nine Months ended December 31, 2013 (Unaudited)	Period ended March 31, 2013 (Audited)
Sources of funds		
Paid up share capital	0.50	0.50
Reserves and Surplus (excluding revaluation reserves)	26.11	(0.05)
Networth	26.61	0.45
Secured loans	-	-
Unsecured loans	1,800.00	-
Total	1,826.61	0.45
Uses of funds		
Net fixed assets	-	-
Investments	1,800.16	-
Net current assets	26.45	0.45
Total miscellaneous expenditure not written off	-	-
Total	1,826.61	0.45
Other Financial Data	**Nine Months ended December 31, 2013**	**Period ended March 31, 2013 (Audited)**

	(Unaudited)	
Dividend (%)	-	-
Basic and Diluted Earnings Per Share	523.15	(0.91)
Return on Networth (%)	98.29	(10.01)
Book Value Per Share	532.24	0.09

Source: Certificate dated April 29, 2014 from M/s HMA& Associates, Chartered Accountants

7. As of April 29, 2014, there are no contingent liabilities in SCM.

PAC

1. Deepak Fertilisers And Petrochemicals Corporation Limited is a public limited company incorporated in India under the Companies Act, 1956. The constitution of the PAC was changed from a private company to a public company and accordingly, its name was changed on June 14, 1979 from Deepak Fertilisers And Petrochemicals Corporation Private Limited to Deepak Fertilisers And Petrochemicals Corporation Limited. Its registered office is situated at Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006. Compliance Officer: Tushar Dey, Tel: +91 20 6645 8000, Fax: +91 20 2668 3727, Email id: tushar.dey@dfpcl.com.

2. DFPCL is a manufacturer of industrials chemicals and fertilizers in India. DFPCL operates in three business segments – Chemicals, Fertilizers and Realty. DFPCL's manufacturing facility is located at Taloja, Maharashtra in India. In the Chemical segment, DFPCL produces Isopropyl Alcohol (IPA), Ammonia, various grades of Nitric Acids (NA), Technical Ammonium Nitrate (TAN), Methanol, and liquid Carbon Dioxide. In the Fertilizer segment, it manufactures Nitro-Phosphate (NP) and Bentonite Sulphur fertilizers. Besides manufacturing, it also trades in bulk fertilizers such as Di-ammonium Phosphate (DAP), complex fertilizers of different grades and Single Super Phosphate (SSP). It also supplies different varieties of specialty fertilizers including, water soluble fertilizers and bio-fertilizers. Ishanya, a specialty mall in Pune, is DFPCL's venture under the Realty segment.

3. The issued and paid up capital of DFPCL as of March 31, 2014 was 88,204,943 equity shares of face value ₹ 10/- each aggregating to ₹ 882,049,430/-.

4. DFPCL is promoted by Mr. Sailesh C. Mehta and family. DFPCL is the promoter of SCM, the Acquirer.

5. As on March 31, 2014, the promoter and promoter group of DFPCL hold 45.5% of the equity share capital in DFPCL and the other key shareholder of DFPCL includes Fidelity Puritan Trust - Fidelity Low Priced Stock Fund which holds 8.6% of the equity share capital in DFPCL. No other single public shareholder holds more than 5% of the equity share capital of the PAC. As of March 31, 2014, shareholding pattern of the PAC was as follows:

Shareholder	Number of equity shares	% of issued equity share capital
Promoters / Person in Control		
Sailesh Chimanlal Mehta	1,92,81,443	21.9%
Nova Synthetic Ltd	1,72,67,071	19.6%
Storewell Credits & Capital Pvt Ltd	12,62,084	1.4%
Chimanlal Khimchand Mehta	11,64,273	1.3%
Parul Sailesh Mehta	10,00,000	1.1%
Sofotel Infra Pvt Ltd	1,26,217	0.1%
Total	**40,101,088**	**45.5%**
FII/ Mutual-Funds/ FIs/Banks/ IC	15,288,960	17.3%
Public	32,814,895	37.2%
Total Paid Up Capital	**88,204,943**	**100.0%**

6. DFPCL does not hold any Equity Shares in the Target Company. Hence the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto or Chapter V of the SAST Regulations are not applicable as far as the Target Company is considered.

7. The details of the directors of DFPCL are as follows and none of them are on the board of directors of the Target Company:

Name of the Director	DIN	Appointment Date	Experience	Qualification
Sailesh Chimanlal Mehta	00128204	04/09/1991	Industrialist with business and management experience	B.Com., M.B.A. (USA)
Partha Sarathi Bhattacharyya	00329479	31/10/2012	Experience in strategy, project execution, administration and finance	M. Sc. (Physics), FCMA
Naresh Chand Singhal	00004916	25/03/1997	Experience in the field of Banking and Finance	M.A. (Economics); M.Sc. (Statistics), P.G. Diploma in Public Administration
Dipankar Basu	00009653	27/07/2000	Experience in the Banking and Finance sectors	M.A.(Economics)
Rajendra Ambalal Shah	00009851	26/12/1979	Solicitor having experience in the field of Corporate Laws and Corporate Governance	B.A., L.L.B., Solicitor
Rama Sankaranarayana Iyer	00076549	23/10/2007	Experience of four decades and knowledge in the areas of process technology, design engineering, project management and construction management of projects both in India and abroad	B. E. (Chem), M.Tech and Ph.D from IIT, Mumbai
Sewak Ram Wadhwa	00228201	18/10/2005	Experience in the field of Finance and Tax	M. A., L.L.M., CAIIB, Masters Diploma in Public Administration
Urmilkumar Purushottamdas Jhaveri	00273898	21/10/2004	Experience in project management, plant operation, optimisation, reliability, productivity improvement etc. in fertiliser and chemical plants	B.E. (Chemical)
Anil Sachdev	00301007	23/10/2008	HR Consultant with expertise in talent management, leadership development and organisational transformation	B.Sc., MBA
Pranay Dhansukhlal Vakil	00433379	25/05/2010	Experience in realty sector	B.Com., C.A., LLB, FRICS
Parul Sailesh Mehta	00196410	20/10/2005	Experience in the areas of corporate public relations and social welfare activities	B. Com.

8. Brief audited financials of DFPCL as of and for the financial years ended March 31, 2013, 2012 and 2011 on a consolidated basis and for the nine month ended December 31, 2013 on a standalone basis are provided below:

(in ₹ Millions except for EPS)

Profit & Loss Statement	Nine Months ended December 31, 2013 (Unaudited)	Year ended March 31, 2013 (Audited)	Year ended March 31, 2012 (Audited)	Year ended March 31, 2011 (Audited)

Income from operations	27,460.59	26,716.38	24,112.90	16,278.99
Other Income	405.07	590.04	372.91	334.64
Total Income	27,865.65	27,306.42	24,485.81	16,613.64
Total Expenditure	24,191.69	23,571.47	19,996.51	12,723.97
Profit Before Depreciation Interest and Tax	3,673.96	3,734.96	4,489.30	3,889.67
Depreciation	763.01	1,081.77	889.59	787.15
Interest	772.98	823.33	682.32	439.18
Profit Before Tax	2,137.97	1,829.87	2917.38	2,663.34
Provision for Tax	613.60	536.83	800.43	788.13
Profit After Tax	1,524.37	1,293.04	2,116.95	1,875.21

Balance Sheet Statement	**Nine Months ended December 31, 2013 (Unaudited)**	**Year ended March 31, 2013 (Audited)**	**Year ended March 31, 2012 (Audited)**	**Year ended March 31, 2011 (Audited)**
Sources of funds				
Paid up share capital	882.05	882.05	882.05	882.05
Reserves and Surplus (excluding revaluation reserves)	13,781.14	11,846.07	11,159.13	9,607.55
Revaluation Reserves		81.47	93.33	105.07
Networth	14,663.19	12,809.59	12,134.52	10,594.67
Secured loans	11,543.49	11,239.03	8,966.61	7,855.50
Unsecured loans	-	-	-	-
Other Net Liabilities (1)	989.71	862.15	820.46	320.95
Total	27,196.39	24,910.78	21,921.58	18,771.12
Uses of funds				
Net fixed assets (2)	14,902.33	14,850.20	14,621.82	13,308.14
Investments	3,050.18	2,545.24	558.27	547.66
Net current assets	9,243.89	7,515.33	6,741.50	4,915.33
Total miscellaneous expenditure not written Off	-	-	-	-
Total	27,196.39	24,910.78	21,921.58	18,771.12
Other Financial Data	**Nine Months ended December 31, 2013 (Unaudited)**	**Year ended March 31, 2013 (Audited)**	**Year ended March 31, 2012 (Audited)**	**Year ended March 31, 2011 (Audited)**
Dividend (%)	-	55	55	50
Basic and Diluted Earnings Per Share	17.28	14.66	24.00	21.26
Return on Networth (%)	10.40	10.09	17.45	17.70
Book Value Per Share	166.24	145.23	137.57	120.11

Source: Certificate dated April 29, 2014 from M/s HMA& Associates, Chartered Accountants
Notes:
(1) Other Net liabilities include Long Term Provisions, Long Term Liabilities, Deferred Tax Liabilities, Non – Current Assets and Long Term Loans & Advances.
(2) Includes Capital Work In Progress

9. Details of the contingent liabilities of DFPCL as of December 31, 2013, are provided below:

Particulars	Amounts in ₹ Millions
Claims by suppliers	394.65
Income Tax Demands	66.51
Excise Demands	77.70
Service Tax Demands	188.09
Sales Tax/ VAT Demands	275.05
Total	**1002.00**

Source: Certificate dated April 29, 2014 from M/s HMA & Associates, Chartered Accountants

10. The equity shares of DFPCL are listed on the NSE and BSE. The closing price of the equity shares of DFCPL as quoted on NSE on May 7, 2014 is ₹135.25/- and on BSE on May 7, 2014 is ₹135.45/-.

11. DFPCL has complied with all the provisions under the Listing Agreement relating to corporate governance.

IV. BACKGROUND OF THE TARGET COMPANY

1. Mangalore Chemicals & Fertilizers Limited is a public limited company incorporated in India. MCF was originally incorporated as Malabar Chemicals & Fertilizers Private Limited on July 18, 1986. There has been no change in the name of MCF in the last three years. Its registered office is situated at Level 11, UB Tower, No 24, Vittal Mallya Road, Bangalore – 560 001, Tel: +91 80 3985 5575/68 and Fax: +91 80 3985 5588.

2. Mangalore Chemicals & Fertilizers Limited (MCF) is a part of the UB Group, a large and diversified business house. The group is one of the foremost multinational organizations based in the sub-continent with operations in many world markets. It has diverse interests – Brewing, Distilling, Aviation, Fertilizers, Life Sciences, Engineering, Research and Development and Information Technology. Dr. Vijay Mallya is the Chairman of the Group. The operations are managed by a team of highly dedicated and experienced professionals.

   MCF is the only manufacturer of chemical fertilizers in the state of Karnataka. The factory is strategically located at Panambur, 9 km north of Mangalore City, on the banks of the Gurpur River, along the National Highway 66, opposite to the New Mangalore Port Trust.

   MCF is an ISO 14001 and OHSAS 18001 certified Company.

   The main products are Urea, Di-Ammonium Phosphate (DAP), NP 20:20:00:13, Ammonium Bi-Carbonate (ABC) - Food grade, Sulphuric Acid, Speciality fertilizers and Nutrient products consisting of Water Soluble Fertilizers, Micronutrients & Soil Conditioners and an Industrial Product called Sulphonated Naphthalene Formaldehyde (SNF) used in construction industry.

   While fertilizers and Plant nutrient products are marketed in all the Southern States and Peninsular India, the food grade ABC, which is used mainly in Confectionery Industries is marketed in domestic as well as international market. The requirement of power for the production facility (process plants) is met by a Captive Power Plant. Ammonia & Phosphoric Acid, the raw materials required for DAP & NP production are imported.

3. The share capital structure of MCF is set forth below:

Particulars	Issued and paid up capital and voting rights	% of Voting Capital
Fully paid up Equity Shares as of the PA date	118,515,150	100.0
Partly paid up Equity Shares as of the PA date	Nil	Nil
Total paid up Equity Shares as of the PA date	118,515,150	100.0
Emerging Voting Capital	**118,515,150**	**100.0**

4. All the Equity Shares are listed on BSE, NSE and BgSE and are not currently suspended from trading on any of the Stock Exchanges.

5. As on the date of this Draft Letter of Offer, there are no outstanding instruments (warrants, Compulsorily Convertible Debentures, Compulsorily Convertible Preference Shares, Optionally Convertible Debentures or Preference Shares or Partially Convertible Debentures) that are convertible into Equity Shares.

6. The details of the board of directors of MCF are provided below:

Name of Director	Date of Appointment	Designation
Dr. Vijay Mallya	September 27, 1990	Chairman
Mr. Deepak Anand	April 27, 2005	Managing Director
Mr. S R Gupte	December 23, 1996	Director
Mr. Pratap Narayan	January 01, 2002	Independent Director
Mr. N Sunder Rajan	April 28, 2006	Independent Director
Mr. K Prabhakar Rao	October 27, 2006	Whole-time Director

7. MCF International Limited, the wholly owned subsidiary of MCF has been amalgamated with MCF effective from April 01, 2010. The Scheme of Amalgamation has been sanctioned by the Hon'ble High Court on July 08, 2011.

8. Brief audited financials of MCF as of and for the financial years ended March 31, 2013, 2012 and 2011 and limited reviewed financials of MCF as of and for the nine months ended December 31, 2013 are provided below::

(in ₹ Millions except for EPS)

Profit & Loss Statement	Nine Months ended December 31, 2013 (Unaudited)	Year ended March 31, 2013 (Audited)	Year ended March 31, 2012 (Audited)	Year ended March 31, 2011 (Audited)
Income from operations	26,686.95	27,795.89	37,071.77	25,204.62
Other Income	41.34	104.46	129.54	33.65
Total Income	26,728.29	27,900.35	37,201.31	25,238.27
Total Expenditure	25,361.98	26,048.14	35,113.96	23,647.62
Profit Before Depreciation Interest and Tax	1,366.31	1,852.21	2,087.35	1,590.65
Depreciation	217.20	290.11	291.05	288.82
Interest	771.88	869.69	771.61	185.87
Profit Before Tax	377.23	692.41	1,024.69	1,115.96
Provision for Tax	123.75	26.70	333.73	340.59
Profit After Tax	253.48	665.71	690.96	775.37

Balance Sheet Statement	Nine Months ended December 31, 2013 (Unaudited)	Year ended March 31, 2013 (Audited)	Year ended March 31, 2012 (Audited)	Year ended March 31, 2011 (Audited)
Sources of funds				
Paid up share capital	-	1,185.49	1,185.49	1,185.49
Reserves and Surplus (excluding revaluation reserves)	-	3,829.37	3,330.05	2,804.38
Revaluation Reserves	-			
Networth	-	5,014.86	4,515.54	3,989.87

Secured loans	-	11,420.93	11,816.70	1,887.22
Unsecured loans	-	873.79	1,423.77	-
Other Net Liabilities (1)	-	5,867.18	5,287.77	4,695.95
Total	-	18,161.90	18,528.24	6,583.17
Uses of funds				
Net fixed assets	-	4,035.93	4,079.46	3,050.51
Investments	-	2,000.00		-
Net current assets	-	11,834.22	12,651.64	3,468.43
Other non-current assets		291.75	1,797.14	64.23
Total miscellaneous expenditure not written Off	-			
Total	-	18,161.90	18,528.24	6,583.17
Other Financial Data				
Dividend (%)	-	12%	12%	12%
Basic and Diluted Earnings Per Share	-	5.62	5.83	6.54
Return on Networth	-	13.27%	15.30%	19.43%
Book Value Per Share	-	42.31	38.10	33.67

Source: Letter from the Target Company dated May 05, 2014
Note:
(1) Other Net liabilities include deferred tax liability, deposits and other non-current liabilities.

9. Shareholding pattern of MCF, as on March 31, 2014 and the proposed shareholding post the Offer is provided below:

Shareholder Category	**Shareholding & voting rights prior to the agreement/acquisition and Offer (A)**		**Shares /voting rights agreed to be acquired which triggered off the Regulations (B)**		**Shares / voting rights to be acquired / (sold) in Offer (assuming full acceptance) (C)**		**Shareholding / voting rights after the Offer (D) = (A) + (B) +(C)**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
(1) Promoter group								
a. Parties to agreement, if any	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
b. Promoters other than (a) above	26,049,046	22.0	Nil	Nil	Nil (1)	Nil (1)	26,049,046 (1)	22.0 (1)
Total (1) (a+b)	**26,049,046**	**22.0**	**Nil**	**Nil**	**Nil (1)**	**Nil (1)**	**26,049,046 (1)**	**22.0 (1)**
(2) Acquirers								
a. Main Acquirer	28,991,150	24.5	1,001,309	0.8	30,813,939	26.0	60,806,398	51.3
b. PAC	Nil	Nil	Nil	Nil				
Total (2) (a+b)	**28,991,150**	**24.5**	**1,001,309**	**0.8**	**30,813,939**	**26.0**	**60,806,398**	**51.3**
(3) Parties to agreement other than(1) (a) & (2)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(4) Public (other than parties to agreement, acquirers & PACs)								
a. FIs/MFs/FIIs/Banks, SFIs (2)	5,097,388	4.3	(1,001,309)(4)	(0.8) (4)	This will depend on the response from and within each category of (4)			
b. Others(3)	58,377,566	49.3						
Total (4) (a+b)	**63,474,954**	**53.6**	**(1,001,309)**	**(0.8)**	**(30,813,939)**	**(26.0)**	**31,659,706**	**26.7**
Grand Total (1+2+3+4)	**118,515,150**	**100.0**	**Nil**	**Nil**	**Nil**	**Nil**	**118,515,150**	**100.0**

Notes:
(1) Assuming the Promoter and Promoter group entities do not tender in the Open Offer
(2) Includes Mutual Funds, Financial Institutions / Banks, Central / State Government(s), Insurance Companies, FIIs
(3) Includes Bodies Corporate, NRI, Clearing Members, Foreign OCB DR, Overseas Corporate Bodies, Indian Individuals and Custodians

(4) Since the acquisition of Purchase Shares was pursuant to an open market purchase, the identity of the sellers is not known

The total number of public shareholders of the Target Company as on March 31, 2014 is 66,245.

V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

Justification of Offer Price

1. This Offer is a mandatory offer being made by the Acquirer and PAC, in accordance with Regulation 3(1) of the SEBI (SAST) Regulations, pursuant to the proposal by the Acquirer to place a purchase order for up to 20,00,000 Equity Shares of the Target Company at a price not exceeding ₹ 63/- per Equity Share.

2. The Equity Shares of MCF are listed on BSE, NSE and BgSE

3. The trading turnover in the Equity Shares based on the trading volumes during the twelve months prior to the month of the PA on NSE, BSE and BgSE is as given below:

Stock exchange	Total traded volumes during the 12 calendar months preceding date of the PA	Weighted average number of Equity Shares during the 12 calendar months preceding date of the PA	Trading turnover (as a % of weighted average number of Equity Shares)
BSE	68,322,707	118,515,150	57.65%
NSE	93,985,783	118,515,150	79.30%
BgSE	N.A.[1]		

Source: BSE and NSE Websites
(1) Trading data not available

4. Based on the above, the Equity Shares are frequently traded in terms of the SEBI (SAST) Regulations.

5. The Offer Price of ₹ 63/- per Equity Share is justified in terms of Regulation 8(2) read with Regulation 8(8) of the SEBI (SAST) Regulations, being the highest of the following parameters:

Sl. No	Details	₹
A	The highest negotiated price per Sale Share of MCF attracting the obligation to the Open Offer	N.A.
B	The volume weighted average price paid or payable per Equity Share by the Acquirer or the PAC during the fifty two weeks immediately preceding the date of the PA	61.75
C	The highest price paid or payable per Equity Share for any acquisition by the Acquirer or the PAC during the twenty six weeks immediately preceding the date of the PA	N.A.
D	The volume weighted average market price of the Equity Shares during the sixty trading days immediately preceding the date of the PA as traded on NSE, being the stock exchange on which the Equity Shares were most frequently traded for the said period	61.09
E	Highest Price paid for purchase of shares of between the date of the PA and the DLoF	63.00

Source: CA certificate dated April 23, 2014 issued by M/s HMA & Associates, Chartered Accountants
Note: The Offer Price would be revised in the event of any corporate action 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 the tendering period of the Open Offer

6. Calculation of the volume – weighted average market price of the Equity Shares for a period of sixty (60) trading days immediately preceding the date of PA i.e. April 23, 2014 as traded on the NSE (as the maximum volume of trading in the Equity Shares was recorded on the NSE during such period) as per Regulation 8 (2) (d) of the SEBI (SAST) Regulations is as follows:

S No.	Date	Volume Traded	Total Turnover (In ₹ Millions)
1	January 23, 2014	117,554	6.93
2	January 24, 2014	142,332	8.34
3	January 27, 2014	21,227	1.22
4	January 28, 2014	68,804	4.01

S No.	Date	Volume Traded	Total Turnover (In ₹ Millions)
5	January 29, 2014	125,049	7.37
6	January 30, 2014	164,450	9.70
7	January 31, 2014	125,140	7.56
8	February 3, 2014	128,244	7.86
9	February 4, 2014	64,661	3.97
10	February 5, 2014	40,346	2.42
11	February 6, 2014	78,527	4.79
12	February 7, 2014	80,920	4.98
13	February 10, 2014	39,028	2.39
14	February 11, 2014	37,922	2.33
15	February 12, 2014	267,973	16.83
16	February 13, 2014	85,096	5.35
17	February 14, 2014	56,399	3.49
18	February 17, 2014	37,109	2.27
19	February 18, 2014	48,765	2.95
20	February 19, 2014	42,760	2.62
21	February 20, 2014	59,669	3.68
22	February 21, 2014	54,278	3.40
23	February 24, 2014	20,186	1.25
24	February 25, 2014	69,714	4.38
25	February 26, 2014	52,198	3.29
26	February 28, 2014	58,902	3.71
27	March 3, 2014	29,360	1.85
28	March 4, 2014	17,169	1.08
29	March 5, 2014	33,584	2.09
30	March 6, 2014	27,233	1.69
31	March 7, 2014	67,955	4.22
32	March 10, 2014	38,325	2.39
33	March 11, 2014	28,530	1.79
34	March 12, 2014	38,886	2.43
35	March 13, 2014	24,308	1.52
36	March 14, 2014	41,599	2.60
37	March 18, 2014	44,783	2.79
38	March 19, 2014	25,141	1.58
39	March 20, 2014	29,001	1.79
40	March 21, 2014	52,011	3.23
41	March 22, 2014	3,309	0.21
42	March 24, 2014	54,535	3.43
43	March 25, 2014	33,969	2.11
44	March 26, 2014	37,087	2.30
45	March 27, 2014	11,130	0.69
46	March 28, 2014	25,870	1.60
47	March 31, 2014	30,349	1.88
48	April 1, 2014	20,092	1.25
49	April 2, 2014	31,809	1.95
50	April 3, 2014	29,246	1.79
51	April 4, 2014	71,536	4.31
52	April 7, 2014	98,564	5.82
53	April 9, 2014	54,742	3.29
54	April 10, 2014	40,784	2.46
55	April 11, 2014	40,368	2.43
56	April 15, 2014	104,903	6.34
57	April 16, 2014	26,313	1.58
58	April 17, 2014	46,932	2.86
59	April 21, 2014	56,482	3.48
60	April 22, 2014	53,630	3.31
	Total	**3,456,788**	**211.19**
Volume weighted average price (Total turnover divided by the total number of Equity			**₹ 61.09**

S No.	Date	Volume Traded	Total Turnover (In ₹ Millions)
Shares traded)			

7. There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.

8. The Offer Price is subject to revision pursuant to the SEBI (SAST) Regulations, if any, or at the discretion of the Acquirer and PAC, at any time prior to 3 (three) Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and PAC shall (i) make corresponding increases to the escrow amount; (ii) make a public announcement in the same newspapers in which the DPS was published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

9. In the event that the number of Equity Shares validly tendered by the Public Shareholders of the Target Company under this Offer is more than the Offer Size, the Acquirer and the PAC shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer.

Financial Arrangements

1. Assuming full acceptance of the Offer, the total funds requirements is ₹ 1,94,12,78,157/- (Rupees One Hundred and Ninety Four Crores Twelve Lakhs Seventy Eight Thousand One Hundred and Fifty Seven only) and the same is not subjected to differential pricing.

2. The PAC has provided a bank guarantee dated April 28, 2014 for an amount of ₹ 48,53,19,540/- (Rupees Forty Eight Crores Fifty Three Lakhs Nineteen Thousand Five Hundred and Forty only) from The Hongkong and Shanghai Banking Corporation Limited, having its corporate headquarters at 1, Queens Road Central, Hong Kong, and its Indian corporate office at 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001 and acting through its branch at 25 Barakhamba Road, New Delhi -110001, in favour of the Manager to the Offer (the "**Bank Guarantee**") in terms of Regulation 17(3)(b) of the SEBI (SAST) Regulations, which is greater than the minimum prescribed amount of 25% of the Offer Size calculated in accordance with Regulation 17(1) of the SEBI (SAST) Regulations. The Bank Guarantee is valid until December 27, 2014. The Manager has been duly authorized in terms of the SEBI (SAST) Regulations to realize the Bank Guarantee. The PAC undertakes that in case the Offer process is not completed within the validity of Bank Guarantee i.e. by December 27, 2014, then the Bank Guarantee will be further extended at least up to thirty (30) days from the date of completion of payment of consideration to shareholders who have validly tendered the Equity Shares held by them in the Target Company in this Offer.

3. In accordance with Regulation 17(4) of the SEBI (SAST) Regulations, the Acquirer has also opened a cash escrow account in the name and style of "MCF – Open Offer Escrow Account" ("**Escrow Account**") with The Hongkong and Shanghai Banking Corporation Limited having its registered office at 1, Queens Road Central, Hong Kong, and the Indian corporate office at 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001 acting through its branch at Shiv Building, Plot No. 139 -140B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai – 400 057 ("**Escrow Bank**") and made a cash deposit of an amount of ₹1,94,12,800/- (Rupees One Crore Ninety Four Lakhs Twelve Thousand Eight Hundred only) being more than 1% of the Offer Size ("**Cash Escrow Amount**"). The Manager has been duly authorized to realize the value of the aforesaid Escrow Account in terms of the SEBI (SAST) Regulations.

4. The Acquirer and PAC have made firm financial arrangements for financing the acquisition of Equity Shares under the Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The Acquirer proposes to fund the Offer out of borrowings and/or equity infusion from the PAC.

5. M/s HMA & Associates, Chartered Accountants (through its Partner, Mr. Harshad Joshi having membership no. 131625), having its office at 1, Runwal Pratishtha, 1202/27, Shivajinagar, Apte Road, Behind Santosh Bakery, Pune 411 004, have, vide certificate dated April 29, 2014 certified that adequate and firm financial resources are available with the Acquirer and PAC to enable them to fulfill their financial obligations under this Offer.

6. Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirer and the PAC to fulfill their obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

7. In case of any upward revision in the Offer Price or the size of this Offer, the Bank Guarantee Amount and Cash Escrow Amount shall be increased by the Acquirer and the PAC prior to effecting such revision, in terms of Regulation 17(2) of the SAST Regulations.

VI. TERMS AND CONDITIONS OF THE OFFER

Operational Terms and Conditions

1. In terms of the tentative schedule of activities, the Tendering Period for the Offer is expected to commence on June 17, 2014 and is expected to close on June 30, 2014.

2. The Equity Shares offered under this Offer shall be free from all liens, charges, equitable interests and encumbrances and are to be offered together with all rights in respect of dividends or bonuses, if any, declared hereafter.

3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.

4. The Identified Date for this Offer as per the tentative schedule of activities is June 3, 2014.

5. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only.

6. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

Locked in Equity Shares

To the best of our knowledge, the Target Company has no Equity Shares which are locked in.

Eligibility for accepting the Offer

1. The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of the Target Company as on June 3, 2014 (the "**Identified Date**").

2. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer.

3. The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Acceptance Form will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Acceptance Form from SEBI's website.

4. The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

5. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.

6. None of the Acquirer, the PAC, the Manager to the Offer or the Registrar to the Offer accepts any responsibility for any loss of equity share certificates, Offer acceptance forms, share transfer forms etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.

7. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.

8. The instructions, authorizations and provisions contained in the Acceptance Form constitute part of the terms of the Offer.

Statutory and Other approvals

1. This Offer is subject to receipt of approval from the Competition Commission of India under Section 6(2) of the Competition Act, 2002.

2. To the best of the knowledge of the Acquirer and the PAC, as on the date of this DLoF, there are no other statutory approvals required to complete the acquisition of the Purchase Shares and Offer Shares. If any other statutory approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approval.

3. The acquisition of Offer Shares tendered by NRIs and OCB is subject to the approval or exemption from the RBI.

4. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

5. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approval, and subject to such terms and conditions as may specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, permit the Acquirer and the PAC to delay the commencement of the tendering period for the Offer pending receipt of such statutory approvals or grant an extension of time to the Acquirer and the PAC to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer.

6. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals specified herein are not obtained or are finally refused or are otherwise not met with for reasons outside the reasonable control of the Acquirer, this Offer shall stand withdrawn. In the event of such a withdrawal of the Offer, the Acquirer and the PAC (through the Manager) shall make a public announcement, within two Working Days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, Stock Exchanges and to the Target Company at its registered office.

VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

1. The Letter of Offer with the Acceptance Form will be mailed to the Public Shareholders, whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories as of the close of business on June 3, 2014, i.e. the Identified Date.

2. Public Shareholders can also download the Letter of Offer and the Acceptance Form from SEBI website at www.sebi.gov.in, or obtain it from the Registrar to the Offer and send in their acceptances to the Registrar to the Offer by filling the same.

3. Public Shareholders who wish to accept this Offer can hand-deliver the Acceptance Form along with the other documents required to accept this Offer, at any of the collection centers mentioned below so as to reach the Registrar to the Offer during business hours on or before 5.00 pm on June 30, 2014, i.e. the Closure of the Tendering Period, in accordance with the procedure as set out in the Letter of Offer:

S. No.	Collection Centre	Address	Contact Person	Tel. No., Fax No. and Email Id	Mode of delivery
1	Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W),Mumbai - 400 078	Pravin Kasare	022-25967878, 022-25960329 pravin.kasare@linkintime.co.in	Hand Delivery & Registered Post

2	Ahmedabad	Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009	Hitesh Patel	079-2646 5179, 079-2646 5179 (Telefax), ahmedabad@linkintime.co.in	Hand Delivery
3	Bangalore	Link Intime India Pvt. Ltd., 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560 019	Nagendra Rao	080-26509004, 080-26509004 (Telefax), bangalore@linkintime.co.in linkblr@gmail.com	Hand Delivery
4	Baroda	Link Intime India Pvt. Ltd., B Tower, 102 B & 103, Sangrila Complex, First Floor, Radhakrishna Char Rasta, Akota, Vadodara - 390020	Alpesh Gandhi	0265-2356573/2356796 / 2356794, 0265-2356791, vadodara@linkintime.co.in	Hand Delivery
5	Kolkata	Link Intime India Pvt. Ltd, 59C,Chowringhee Road,3rd Floor, Kolkata -700020	S.P. Guha	033-22890539/40, 033-22890539/40 (Telefax), vadodara@linkintime.co.in	Hand Delivery
6	New Delhi	Link Intime India Pvt. Ltd., 44 Community Centre 2nd Floor, Nariana Industrial Area Phase I, Near PVR, Nariana, New Delhi 110 028	Swapan Naskar	011-41410592/93/94, 011-41410591, delhi@linkintime.co.in	Hand Delivery
7	Pune	Link Intime India Pvt. Ltd, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.	Rajeeva Koteshwar	020- 26160084, 26161629, 020 -26163503 (Telefax). pune@linkintime.co.in	Hand Delivery
8	Chennai	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Mrs. Solly Soy	044- 2815 2672, 044- 4207 0906, 044- 2815 2672 (Telefax), chennai@saspartners.com	Hand Delivery

All of the centres mentioned above will be open on all the working days (Monday to Friday) during the business hours from 10.00 am to 5.00 pm

4. Public Shareholders who cannot hand deliver their documents at the collection center referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address, Unit: MCF - Open Offer, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078, Tel. No. +91 22 2596 7878, Fax No. +91 22 2596 0329, Email: mcf.offer@linkintime.co.in , Contact Person: Mr. Pravin Kasare.

5. Beneficial owners of Equity Shares who wish to tender their Equity Shares will be required to send their Acceptance Form along with a photocopy of the delivery instructions in “Off–market” mode or counterfoil of the delivery instruction in “Off–market” mode, duly acknowledged by the DP in favor of the Open Offer Escrow Demat Account opened by the Registrar to the Offer, in accordance with instructions specified in the Letter of Offer and in the

Acceptance Form. The credit for the delivered shares should be received in the Open Offer Escrow Demat Account on or before the close of the Tendering Period, i.e. June 30, 2014. The details of the Open Offer Escrow Demat Account are given below:

Depository Participant Name	Ventura Securities Limited
DP ID	IN303116
Beneficiary Account Number / Client ID	11365564
Open Offer Escrow Demat AccountName	LIIPL MCF OPEN OFFER ESCROW DEMAT ACCOUNT
ISIN	INE558B01017
Depository	NSDL
Mode of Instruction	Off-Market

Shareholders having their beneficiary account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares of the Target Company in favor of the Open Offer Escrow Demat Account with NSDL.

6. Public Shareholders who wish to tender their Equity Shares, held in physical form, will be required to send the Acceptance Form, original share certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer, either by hand delivery or registered post on weekdays, at their sole risk, so as to reach the Registrar to the Offer, on or before the closure of the Tendering Period, i.e., not later than June 30, 2014 in accordance with the instructions to be specified in the Letter of Offer and in the Acceptance Form.

7. The Acceptance Form along with equity share Certificates / copy of delivery instruction to DP and other relevant documents shall be sent to the Registrar to the Offer only. The same shall not be sent to the Acquirer, PAC, Target Company or Manager to the Offer.

8. Procedure for acceptance of this Offer by Public Shareholders/owners of Equity Shares who have sent Equity Shares for transfer or those who did not receive the Letter of Offer:

   a. In case of non-receipt of the Letter of Offer, beneficial owners holding Equity Shares in dematerialized form, may send their applications in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, DP name, DP ID, beneficiary account number and photocopy of the delivery instruction in "Off-market", or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Open Offer Escrow Demat Account, so as to reach the Registrar to the Offer on or before the date of closure of the Offer. Also, alternatively, the Equity Shareholders may apply on the Acceptance Form obtained from SEBI website (www.sebi.gov.in).

   b. In case of non-receipt of the Letter of Offer, the eligible person(s), holding Equity Shares of the Target Company in physical form, may send his / her / their consent on plain paper stating the name, address, number of Equity Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the date of closure of the Offer. Also, alternatively, the Equity Shareholders may apply on the Acceptance Form obtained from SEBI website (www.sebi.gov.in).

   c. In case the share certificate(s) and transfer deeds are lodged with the Target Company / its share transfer agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) the copy of share transfer deed(s) and (ii) the acknowledgement of the lodgment with, or receipt issued by the Target Company / its share transfer agent, for the share certificate(s) so lodged. Where the transfer deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate / limited company, a certified copy of the memorandum and articles of association together with a certified true copy of the resolution along with the specimen signatures of the authorized signatories duly certified, shall also be sent.

9. For Equity Shares held in physical mode, Public Shareholders should enclose:

   a. Acceptance Form duly completed and signed in accordance with instructions contained therein, by all Equity Shareholders whose names appear on the share certificates;

b. Original share certificates;

c. Valid share transfer deeds as received from the market. The details of the buyer should be left blank. If the details of buyer are filled in, the tender will not be valid under the Offer. All other requirements for valid transfer will be pre-conditions for acceptance; and

d. Self-attested copy of the PAN card of the proposed transferee.

10. For Equity Shares held in dematerialized form, Public Shareholders should enclose:

    a. Acceptance Form duly completed and signed in accordance with instructions contained therein, by all the beneficial owners holding Equity Shares as per the records of the DP

    b. Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction slip in “Off-market” mode, duly acknowledged by the DP

11. The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the shareholders’ sole risk. Unaccepted Equity Shares held in dematerialized form will be credited back to such beneficial owners’ depository account with the respective DP as per details received from their DP. It will be the responsibility of the Public Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DP when transferred by the Registrar to the Offer. Public Shareholders holding Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP. Public Shareholders should ensure that their depository account is maintained and active till the Offer formalities are completed.

12. The share certificate(s) and the transfer form(s), or Equity Shares transferred to the Open Offer Escrow Demat Account together with the Acceptance Form submitted by the Public Shareholders pursuant to the Offer, will be held by the Registrar to the Offer in trust for such Public Shareholders until the Acquirer pays the Offer Price.

13. In case the number of Equity Shares validly tendered in the Offer by the Public Shareholders are more than the Equity Shares to be acquired under the Offer, the acquisition of Equity Shares from each shareholder will be on a proportionate basis in such a way that the acquisition from any shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The minimum marketable lot for the Equity Shares is 1 (one).

14. While tendering Equity Shares under this Offer, non-resident Public Shareholders will be required to submit the previous approvals from the RBI (specific or general) that they would have obtained for acquiring the Equity Shares. In case the previous approvals from the RBI are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered.

15. Settlement / Payment of Consideration

    a. The Acquirer and PAC shall arrange to pay the consideration payable to the Public Shareholders whose Equity Shares have been accepted on or before July 14, 2014.

    b. Public Shareholders tendering their Equity Shares in the dematerialized form are advised to immediately update with their DP, their bank account details, i.e. nine digit Magnetic Ink Character Recognition Code (MICR) as appearing on their cheque leaf and also their bank’s Indian Financial System Code (IFSC), which will get linked to their bank branch. Please note that failure to do so could result in delays in dispatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the equity shareholder’s sole risk and neither the Acquirer, the PAC, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate such equity shareholder for any losses caused due to any such delay or any interest for such delay.

    c. Payment of consideration to the Public Shareholders would be done through various modes in the following order of preference:

i. Real Time Gross Settlement ("RTGS") / National Electronic Clearing Service ("NECS") / Electronic Clearing Services ("ECS") / National Electronic Fund Transfer ("NEFT") - Payment shall be undertaken through any of the above modes wherever the equity shareholder's bank has been assigned the IFSC, which can be linked to an MICR, if any, available to that particular bank branch or wherever the Equity Shareholders have registered their nine digit MICR number and their bank account number with their DP.

ii. Direct Credit – Equity Shareholders having bank accounts with the Escrow Bank, as mentioned in the Acceptance Form, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer.

iii. For all other Public Shareholders, including Public Shareholders holding Equity Shares in physical form and those who have not updated their bank particulars with the MICR code, the payments will be dispatched through speed post/ registered post for value up to ₹ 1,500 and through speed post / registered post for value above ₹ 1,500. Such payments will be made by cheques, pay orders or demand drafts drawn on the Escrow Bank and payable at par at places where acceptance forms are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Public Shareholders.

Applicants to whom payments are made through electronic transfer of funds will be sent a letter (Payment advice) through ordinary post intimating them about the mode of credit / payment on or before July 14, 2014. The Registrar to the Offer shall ensure dispatch of consideration, if any, by RTGS / NECS / ECS / NEFT / Direct Credit / Cheques / Pay orders / Demand Drafts only in the name of the sole or first equity shareholder and all communication will be addressed to the person whose name appears on Acceptance Form on or before July 14, 2014 and adequate funds for making payments as per the mode(s) disclosed above shall be made available to the Registrar by the Acquirer. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

Compliance with Tax Requirements

1. General tax requirements

a. As per the provisions of section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess, as applicable). Since the consideration payable under the Offer would be chargeable to capital gains or as business profits or interest income (if any), as the case may be, under the provisions of the Income Tax Act, the Acquirer is required to deduct taxes at source (including surcharge and education cess), as applicable.

b. Tax is not required to be deducted at source from the payment of consideration made to resident public shareholders in respect of capital gains. However, Acquirer Company is required to deduct the tax at the stipulated rates on interest, if any, payable to resident Shareholders, if amount of interest payable is in excess of ₹5,000 (Rupees Five Thousand only) as per the provisions of section 194A of the ITA.

c. In a case where tax is deductible at source, position summarized below is applicable in case of shareholders who have obtained Permanent Account Number ("PAN") under the Act and furnish PAN in the Bid Form. Self-attested copy of PAN card is also required to be attached as evidence. In case where tax is required to be deducted at source but PAN is not submitted (including where such PAN has been applied for but not obtained), or is invalid or does not belong to the holder of Equity Shares, the Acquirer will deduct tax at the rate of 20% (twenty percent) or applicable rate of tax (including applicable surcharge and education cess), whichever is higher.

d. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer Company, and taxes shall be deducted at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the ITA, on the gross consideration towards acquisition of Shares and interest, if any, payable to such holder of Equity Shares under the Offer.

e. In case where the Equity Shares are held as investment / capital asset, the Acquirer shall determine the nature of gain (i.e. long term capital gain or short term capital gain) considering the information provided to it by the Target Company based on register of members maintained by it and accounts maintained by the shareholders with the Depositories.

f. The tax deducted under this Offer is not the final liability of the shareholders or in no way discharges the obligation of shareholders to disclose the amount received pursuant to this Offer. All shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.

g. Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

2. Withholding tax implications for Non-resident Shareholders or Foreign Company

Withholding tax if the shares are held as Investment / Capital Asset: Every shareholder would be required to declare and certify whether the Equity Shares in the Target Company are held by him as investment / capital Asset or not. If the shares are held as investment / capital Asset and shareholder certifies to that effect in the bid form, tax shall be deducted at source on the sale consideration as follows (or tax may be deducted at higher rate if relevant information / documents have not been provided as mentioned above):

a. NRIs: The Acquirer will deduct tax at source at 30% of consideration where the gain is determined as short term capital gain or 20% of consideration where the gain is determined as long-term capital gains. In addition to the above, education cess at 3% would be levied on the tax amount. If the shares, being long term capital asset, have been acquired with convertible foreign exchange, tax shall be deducted at 10% (plus education cess of 3% of tax) of the consideration. If NRI claims that the shares were acquired with convertible foreign exchange, it would be required to attach appropriate evidence and certification in that regard, otherwise it shall be presumed that the shares were not acquired with convertible foreign exchange.

b. Overseas Unincorporated Bodies: The Acquirer will deduct tax at source at 30% of consideration where the gain is determined as short term capital gain or 20% of consideration where the gain is determined as long-term capital gains. In addition to the above, education cess at 3% would be levied on the tax amount.

c. OCBs / Non-domestic companies: The Acquirer will deduct tax at source at 40% of consideration where the gain is determined as short term capital gain or 20% of consideration where the gain is determined as long-term capital gains. In case the sale consideration exceeds ₹1,00,00,000 surcharge would be levied at 2% on the tax amount. Education cess at 3% would be levied on aggregate of tax and surcharge, if any.

d. FIIs: FIIs enjoy exemption from tax deduction at source on capital gains under Section 196D(2) of the Income Tax Act and hence no tax shall be deducted on sale consideration payable to FIIs. FIIs should enclose a self-attested copy of its SEBI registration certificate failing which payment of the consideration shall be subject to deduction of tax at source.

Withholding tax in other cases: If the shareholder fails or omits to certify in the bid form that the Equity Shares are held by it on investment/capital account, the Equity Shares will be considered to have been held as stock in trade. If the Equity Shares are considered to be held as stock in trade or FIIs fail to attach the SEBI registration certificate, then the Acquirer will deduct tax at source on consideration towards sale at the rate of 40 % in case of corporate shareholder and 30% in case of any other shareholder. In addition to the above, in case of corporate shareholder, surcharge would be levied at 2% on the tax in case the consideration exceeds ₹1,00,00,000. Education cess at 3% would be levied on the aggregate of tax and surcharge, if any, in all cases.

Withholding tax on Interest Income: The Acquirer will deduct tax at source on the amount of interest at the rate of 40 % in case of corporate shareholder and 30% in case of any other shareholder. In addition to the above, in case of corporate shareholder, surcharge would be levied at 2% on the tax in case aggregate sum payable to it exceeds ₹1,00,00,000. Education cess at 3% would be levied on the aggregate of tax and surcharge, if any, in all cases.

Deduction of tax at lower rate: In the event the aforementioned categories of shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate under Section 195(3) or Section 197 from the income tax authorities to that effect, and submit the same to the Acquirer. Such certificate should be valid and effective as of the date on which tax is required to be deducted and it should be submitted along with the bid form. On failure to produce such certificate from the income tax authorities, the Acquirer will deduct tax as aforesaid.

Under any circumstances, the Acquirer will not accept any request from any shareholder for no deduction of tax at source or deduction of tax at lower rate on the basis of any self-computation / computation by any tax consultant of capital gain and tax payable thereon.

3. Withholding tax implications for Resident Shareholders

No withholding tax on sale consideration: In absence of any specific provision under the Income Tax Act, the Acquirer will not deduct tax on the consideration payable to resident shareholders for acquisition of Equity Shares under this Offer.

Withholding tax on Interest, if any: The Acquirer will deduct the tax at 10% on the gross amount of interest, if any, payable to resident shareholders, if amount of interest payable is in excess of ₹5,000 (Rupees Five Thousand only) as per the provisions of section 194A the Income Tax Act.

Deduction of tax at lower rate: The resident shareholder claiming no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the bid form a certificate under Section 197 from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer. In the case of resident shareholder not being a company or firm, a self-declaration in Form 15G or Form 15H as may be applicable may also be furnished to receive the interest amount without deduction of tax at source. The self-declaration in Form 15G or Form 15H would not be valid unless the shareholder furnishes PAN in such declaration.

4. Issue of Certificate for Deduction of Tax at Source

The Acquirer will issue a certificate in the prescribed form to the shareholders (resident and nonresident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of section 203 of the Income Tax Act read with the Income-tax Rules, 1962.

Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.

The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

VIII. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by Public Shareholders at the office of the Manager to the Offer at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025 on any working day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period until the date of expiry of the Tendering Period.

1. Memorandum and Articles of Association and certificate of incorporation of the Acquirer and the PAC.

2. Certificate dated April 29, 2012, from M/s HMA & Associates, Chartered Accountants, having its office at 1, Runwal Pratishtha, 1202/27, Shivajinagar, Apte Road, Behind Santosh Bakery, Pune 411 004, certifying that the Acquirer and the PAC have adequate financial resources to fulfill their obligations under this Offer.

3. Annual reports and financial statements of SCM for the financial year ending on March 31, 2012

4. Annual reports and financial statements of DFPCL for the three financial years ending on March 31, 2013, 2012 and 2011.

5. Annual reports of MCF for the three financial years ending on March 31, 2013, 2012 and 2011.

6. Letter dated April 28, 2014 from the Open Offer Escrow Agent confirming the amount kept in the Open Offer Escrow Account and a lien in favor of the Manager to the Offer

7. Public Announcement submitted to the Stock Exchanges on April 23, 2014.

8. Copy of the Detailed Public Statement published by the Manager to the Offer on behalf of the Acquirer and the PAC on May 01, 2014.

9. Copy of the Offer Opening Public Announcement published by the Manager to the Offer on behalf of the Acquirer and the PAC.

10. Published copy of the recommendation made by the committee of the independent directors of MCF.

11. SEBI observation letter no. [•] dated [•] on the Draft Letter of Offer.

12. Copy of the agreement with the DP for opening the Open Offer Escrow Demat Account for this Offer.

IX. DECLARATION BY THE ACQUIRER AND THE PAC

1. The Acquirer and the PAC and their respective directors (as applicable) accept full responsibility for the information contained in this Draft Letter of Offer (other than such information as has been obtained from public sources or provided or confirmed by MCF).

2. The Acquirer and the PAC also accept full responsibility for their obligations under the Offer and shall be jointly and severally liable for ensuring compliance with the SEBI (SAST) Regulations.

SIGNED FOR AND ON BEHALF OF SCM SOILFERT LIMITED

Sd/-

Authorized Signatory

SIGNED FOR AND ON BEHALF OF DEEPAK FERTILISERS AND PETROCHEMICALS LIMITED

Sd/-

Authorized Signatory

Place: Pune
Date: May 08, 2014