LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This letter of offer ("**Letter of Offer**" / "**LoF**") is sent to you as a 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, investment consultant, the Managers to the Offer or 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 (as defined below) and transfer deed to the member of stock exchange through whom the said sale was effected.

Open Offer ("Offer")

BY

ZUARI FERTILISERS AND CHEMICALS LIMITED ("ACQUIRER")

Registered office: Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726; Tel.: +91 832 259 2440; Fax: +91 832 2555279

ALONG WITH

ZUARI AGRO CHEMICALS LIMITED ("PAC 1")

Registered office: Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726; Tel.: +91 832 259 2440; Fax: +91 832 2555279

UNITED BREWERIES (HOLDINGS) LIMITED ("PAC 2")

Registered office: UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore - 560001; Tel.: +91 80 39856079; Fax: +91 80 22274890

KINGFISHER FINVEST INDIA LIMITED ("PAC 3")

Registered office: UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore - 560 001; Tel.: +91 80 39856079; Fax: +91 80 22274890

AND

MCDOWELL HOLDINGS LIMITED ("PAC 4")

Registered office: UB Tower, Level 12, UB City, #24, Vittal Mallya Road, Bangalore - 560 001; Tel.: +91 80 39856500; Fax: +91 80 22274890

TO ACQUIRE

up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred And Thirty Nine) fully paid-up equity shares of face value of Rs. 10 (Rupees Ten) each (each an "**Equity Share**"), constituting 26% (twenty six percent) of the Voting Share Capital (as defined below) from the Shareholders.

OF

MANGALORE CHEMICALS & FERTILIZERS LIMITED ("TARGET COMPANY")

Registered office: UB Tower, Level 11, UB City, No. 24, Vittal Mallya Road, Bangalore – 560001; Tel.: +91 80 39856000; Fax: +91 80 39855588

AT A PRICE OF

Rs. 68.55 (Rupees Sixty Eight and Paise Fifty Five only) per Equity Share ("Offer Price") plus interest @ 10% per annum per Equity Share for any delay in payment beyond the Scheduled Payment Date (as defined hereafter), payable in cash. (For the purposes of clarification, an amount of Rs. 1.19 per share will be payable by way of interest to all the successful Shareholders, whose Shares are validly tendered and accepted in the Offer, on the basis of the current Offer Price, and assuming that the date of payment of consideration for such accepted Shares is Wednesday, November 05, 2014)

pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**")

Notes:

1. This Offer is being made by the Acquirer and the PAC pursuant to Regulation 20 read with Regulation 3(1), Regulation 4 and other applicable Regulations of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
3. This Offer is subject to certain statutory and regulatory approvals as set out in paragraph 6.16 – Statutory & Other Approvals.
4. This Offer is a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, to the Original Offer (as defined below) by SCM Soilfert Limited along with Deepak Fertilisers and Petrochemicals Corporation Limited *vide* a public announcement dated April 23, 2014.
5. The Acquirer and/or PAC may withdraw the Offer under Regulation 23 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 and/or PAC.
6. If there is any upward revision in the Offer Price or the number of Equity Shares sought to be acquired in this Offer, prior to commencement of 3 (three) Working Days before the commencement of the Tendering Period, i.e. up to Thursday, September 25, 2014, the same will be notified to the public by way of a public announcement in the same newspapers where the detailed public statement in relation to this Offer ("**DPS**") was published. Such revised amount of the Offer Price would be payable for all the Equity Shares validly tendered anytime during the Tendering Period.
7. In the event that the number of Equity Shares validly tendered by the Shareholders under this Offer is more than the Offer Size (defined below), the Acquirer shall accept the Equity Shares received from the Shareholders on a proportionate basis in consultation with the Managers to the Offer.
8. **This Offer being a competing offer, the open offers under all the subsisting bids shall open and close on the same date.**
9. A copy of the public announcement in relation to this Offer ("**PA**"), the Detailed Public Statement, the Draft Letter of Offer and this Letter of Offer including Form of Acceptance-cum-Acknowledgement is also available on the website of SEBI (www.sebi.gov.in).

MANAGERS TO THE OFFER		REGISTRAR TO THE OFFER
AMBIT CORPORATE FINANCE PRIVATE LIMITED Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Tel: (+91 22) 39821819 Fax: (+91 22) 39823020 Email: mcflopenoffer@ambitpte.com Website: www.ambitholdings.com Contact Person: Mr. Praveen Kumar Sangal SEBI Registration Number: INM000010585	**ICICI SECURITIES LIMITED** ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020, India Tel: +91 22 2288 2460/70 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	**KARVY COMPUTERSHARE PRIVATE LIMITED** Plot No. 17 – 24, Vittal Rao Nagar Madhapur, Hyderabad 500 081 Tel: +91 40 4465 5000 Fax: +91 40 2343 1551 Email: mcfl.openoffer@karvy.com Website: http://karisma.karvy.com Contact person: Mr. M Murali Krishna SEBI Registration Number: INR000000221

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER		
Activity	**Original Day and Date**	**Revised Day and Date**
Date of the PA	Monday, May 12, 2014	Monday, May 12, 2014
Date of publishing the DPS	Tuesday, May 20, 2014	Tuesday, May 20, 2014
Last date for public announcement of a competing offer(s) as per the First DPS (as defined below)	Friday, May 23, 2014	Friday, May 23, 2014
Filing of the Draft Letter of Offer with SEBI	Tuesday, May 27, 2014	Tuesday, May 27, 2014
Last date for receipt of comments from SEBI on the DLoF (in the event, SEBI has not sought clarifications or additional information from the Managers to the Offer)	Tuesday, June 17, 2014	Wednesday, July 16, 2014
Identified Date*	Friday, June 20, 2014	Wednesday, September 17, 2014
Date by which Letter of Offer will be dispatched to the Shareholders as on the Identified Date	Thursday, June 26, 2014	Wednesday, September 24, 2014
Last date for upward revision of Offer Price and / or Offer Size	Monday, June 30, 2014	Thursday, September 25, 2014
Last date for publication in newspapers regarding the upward revision of Offer Price and / or Offer Size	NA	Friday, September 26, 2014
Last date by which the recommendation of the committee of independent directors of the Target Company will be published	Tuesday, July 01, 2014	Monday, September 29, 2014
Date of public announcement for opening of the Offer in the newspapers where the DPS has been published	Wednesday, July 02, 2014	Tuesday, September 30, 2014
Date of commencement of the Tendering Period (Offer opening date)[#]	Thursday, July 03, 2014	Wednesday, October 01, 2014
Date of expiry of the Tendering Period (Offer closing date)[#]	Wednesday, July 16, 2014	Friday, October 17, 2014
Last date of communicating rejection / acceptance and payment of consideration for accepted Equity Shares and / or share certificate(s) / demat delivery instruction for rejected Equity Shares will be dispatched / issued	Thursday, July 31, 2014	Wednesday, November 05, 2014

[#] Since this Offer is a competing offer, the schedule of major activities and the tendering period for all competing offers shall be carried out with identical timelines and the last date for tendering shares in all competing offers shall stand revised to the last date for tendering shares in acceptance of the offer last made.

**Date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period. Identified date is only for the purpose of determining the Shareholders of the Target Company to whom the Letter of Offer shall be mailed. It is clarified that all the Shareholders (as defined below), registered or unregistered, of the Target Company who own Equity Shares are eligible to participate in this Offer at any time during the Tendering Period.*

RISK FACTORS

The risk factors set forth below pertain to the underlying Agreement, this Offer, the Acquirer and the PAC and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in this Offer, but are merely indicative. Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for understanding and analyzing all risks associated with respect to their participation in this Offer. For capitalized terms used herein please refer to the section on Definitions and Abbreviations set out below.

A. Risk relating to the underlying Agreement

1. The consummation of the transactions contemplated in the Agreement is subject to receipt of an approval from the Competition Commission of India under Section 6(2) of the Competition Act, 2002 and the rules thereunder. The Competition Commission of India vide an order dated September 04, 2014 granted its approval for the acquisition of up to 3,08,13,939 Equity Shares of the Target Company by the Acquirer and PAC 1, as published on September 15, 2014.

B. Risks relating to this Offer

1. As of the date of this Letter of Offer, to the best of the knowledge of the Acquirer and the PAC, there are no other statutory approvals required by the Acquirer and/or the PAC to complete this Offer. However, in case any statutory approvals are required by the Acquirer and/or the 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 the PAC shall make the necessary applications for such approvals. In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulation**s**, SEBI may, if satisfied, that non-receipt of such 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 approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 10 (ten) Working Days from the date of Closure of the Tendering Period, at such rate as may be specified by SEBI. Accordingly, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer, as well as the return of Equity Shares not validly accepted in this Offer, may be delayed. Where the statutory approvals extend to some but not all the Shareholders, the Acquirer will have the option to make payment of the consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. The Acquirer and/or the PAC will have the right, under Regulation 23 of the SEBI (SAST) Regulations to withdraw this Offer in the event any such statutory approvals, as may be required, are not granted or are finally refused for reasons outside the reasonable control of the Acquirer and/or PAC.

2. The acquisition of Shares tendered by NRIs and erstwhile OCBs are subject to appropriate approval/exemption from the Reserve Bank of India. NRI and erstwhile OCB holders of the Equity Shares must obtain all requisite approvals to tender the Equity 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 Form of Acceptance-cum-Acknowledgement and other documents required in terms of the Letter of Offer. Further, if the Shareholders who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) require or had required any approvals (including from the RBI or FIPB) in respect of the Shares held by them, they will be required to submit such 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 reserves its right to reject such Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non repatriable basis.

3. Since this Offer is a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, the Acquirer and the PAC cannot give any assurance regarding the successful consummation of the Offer.

4. In the event that either: (a) there is any litigation that leads to an injunction or stay on this Offer or restricts or restrains the Acquirer and/or the PAC from performing their obligations hereunder; or (b) SEBI instructs the Acquirer and/or the PAC not to proceed with this Offer, then this Offer process may not proceed or may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not validly accepted in this Offer by the Acquirer, may be delayed.

5. The Shareholders who have lodged their acceptance to this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the tender of the Equity Shares in this Offer is rejected and / or dispatch of consideration is delayed.

6. The Registrar to the Offer will hold in trust the Equity Shares, by holding the share certificates pertaining to the Equity Shares held in physical form and the Equity Shares held in demat form in the Depository Escrow Account, along with the documents submitted by the Shareholders, on behalf of the Shareholders who have tendered their Equity Shares, till the completion of the formalities of this Offer, and the Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer, even if the acceptance of the Equity Shares in this Offer is rejected and/or dispatch of payment consideration is delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares that may adversely impact the Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

7. This Offer is an offer to acquire up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred and Thirty Nine) Equity Shares, representing 26% (Twenty Six percent) of the Voting Share Capital. In case of over-subscription of this Offer, acceptance will be determined by the Acquirer and the PAC in consultation with the Managers to the Offer, on a proportionate basis and hence there is no certainty that all the Equity Shares validly tendered by the Shareholders in this Offer will be accepted.

8. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer who are resident in jurisdictions outside India should inform themselves of and comply with all applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable laws or regulations or would subject the Acquirer and the PAC or the Managers to the Offer to any new or additional registration requirements. This is not an offer for sale or a solicitation of an offer to buy in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

9. The 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 Managers to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.

10. The Acquirer, the PAC and the Managers to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and/or PAC. Any person placing reliance on any other source of information will be doing so at his/her/its own risk.

11. This is a competing offer to the open offer made by SCM Soilfert Limited together with Deepak Fertilisers and Petrochemicals Corporation Limited vide public announcement dated April 23, 2014. In accordance with the SEBI (SAST) Regulations, the schedule of activities and the Tendering Period for the Original Offer and this Open Offer shall be carried out in identical timelines. Shareholders alone shall be responsible for their decision to tender in either offer and must note that Equity Shares once tendered in an offer cannot be withdrawn.

C. Risks relating to the Acquirer and the PAC

1. The Acquirer and the PAC make no assurances with respect to their investment / divestment decisions relating to their proposed shareholding in the Target Company.

2. The Acquirer and the PAC make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.

3. The Acquirer, the PAC and the Managers to the Offer make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaim their responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in this Offer.

4. All the validly tendered Equity Shares under the Open Offer shall be acquired by the Acquirer. The consideration payable for the Equity Shares accepted under the Open Offer shall be paid by the Acquirer and therefore all the financial obligations under the Open Offer shall be met by the Acquirer.

5. United Bank of India has declared Kingfisher Airlines Limited, Dr. Vijay Mallya, Mr. S.R. Gupte and certain other directors of Kingfisher Airlines Limited as 'wilful defaulters'. Certain other banks and financial institutions have also initiated various proceedings against certain entities / companies belonging to the UB Group and the directors of such companies including Dr. Vijay Mallya and Mr. S.R. Gupte. For details of all such material proceedings and the status thereof, please refer to paragraph 3.63 of this Letter of Offer.

GENERAL

This Letter of Offer together with the DPS that was published on May 20, 2014 and the PA dated May 12, 2014 in connection with the Offer, has been prepared for the purposes of compliance with the applicable laws and regulations of the SEBI (SAST) Regulations. Accordingly the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The delivery of this Letter of Offer does not, under any circumstances, create any implication that there has been no change in the affairs of the Target Company and the Acquirer, the PAC and persons deemed to be acting in concert with the Acquirer, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. Nor is it to be implied that the Acquirer, the PAC or any persons deemed to act in concert with the Acquirer are under any obligations to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. This Letter of Offer shall be dispatched to all Shareholders whose names appear on the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of this Letter of Offer by any Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this Letter of Offer under any local securities laws), shall not be treated by such Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly no such Shareholder may tender his, her or its Equity Shares in this Offer.

Persons in possession of this Letter of Offer are required to inform themselves of any relevant restrictions. Any Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

CURRENCY OF PRESENTATION

- In this Letter of Offer, all references to “Rs.”/“Rupees”/“INR” are to Indian Rupee(s).
- In this 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.

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DEFINITIONS AND ABBREVIATIONS

Term	Definition
Acquirer	Zuari Fertilisers and Chemicals Limited, having its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726
Adventz Group	The group of companies controlled by Mr. Saroj Kumar Poddar
Agreement	The agreement dated May 12, 2014 executed between the Acquirer and the PAC pursuant to which the Acquirer and the PAC have launched this Offer. The salient features of the Agreement have been set out in paragraph 2.1.5 of this LoF.
Ambit	Ambit Corporate Finance Private Limited having its registered office at Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Board / Board of Directors	Board of Directors of the Target Company
BSE	BSE Limited
BgSE	Bangalore Stock Exchange Limited
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
Chairman of the Board	Chairman of the Board of Directors of the Target Company
CIN	Corporate Indentification Number
Closure of the Tendering Period	The last day by which the Shareholders may tender their Equity Shares in acceptance of the Offer, i.e. Friday, October 17, 2014. (This is a competing offer and the public offers under all subsisting bids shall open and close on the same date.)
Depository Escrow Account	The depository account opened by the Registrar to the Offer with Karvy Stock Broking Limited, having DP ID of IN300394 and beneficiary client ID of 18842300
Depositories	CDSL and NSDL
DP	Depository Participant
DPS / Detailed Public Statement	Detailed public statement in relation to this Offer published on May 20, 2014, by the Managers to the Offer, on behalf of the Acquirer and the PAC
Draft Letter of Offer / DLoF	The draft letter of offer dated May 27, 2014
Equity Shares / Shares	Fully paid-up equity shares of the Target Company, having a face value of Rs. 10 (Rupees Ten) each
Equity Share Capital / Voting Share Capital	Fully diluted voting equity share capital of the Target Company, as of the 10th Working Day from the Closure of the Tendering Period of the Offer (as calculated in paragraphs 2.2.6 and 4.4 below)
Escrow Account	A cash escrow account opened by the Acquirer with HDFC Bank Limited acting through its branch at Manekji Wadia Building, Ground Floor, Nanik Motwani Marg, Fort, Mumbai – 400001
Escrow Amount	The amount deposited by the Acquirer in one or more account(s), having lien marked with an irrevocable right to encash the proceeds in favour of the Managers to the Offer, in compliance with Regulation 17 of the SEBI (SAST) Regulations.
Escrow Bank / HDFC Bank	HDFC Bank Limited, having its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai, Maharashtra – 400013 and acting through its office at Manekji Wadia Building, Ground Floor, Nanik Motwani Marg, Fort, Mumbai – 400001
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the

	Income Tax Act
First DPS	The detailed public statement dated May 01, 2014 in connection with the Original Offer.
FIPB	Foreign Investment Promotion Board
Form of Acceptance-cum-Acknowledgement	The form of acceptance-cum-acknowledgement, which is a part of this Letter of Offer
GAAP	Generally Accepted Accounting Principles
GoI	Government of India
ICAI	Institute of Chartered Accountants of India
IFSC	Indian Financial System Code
Identified Date	Wednesday, September 17, 2014, i.e. the date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Shareholders to whom this Letter of Offer shall be sent
Income Tax Act	Income-Tax Act, 1961 and subsequent amendments thereto
Indian GAAP	GAAP, as applicable to Indian companies
I-Sec	ICICI Securities Limited, having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020
Letter of Offer / LOF	This letter of offer dated September 19, 2014
Listing Agreements	Listing agreements entered into by the Target Company with BSE, NSE and the BgSE
Managers to the Offer	Ambit and I-Sec
Maximum Consideration	Total funding requirement for this Offer of INR 211,22,95,518.45 (Rupees Two Hundred and Eleven Crores Twenty Two Lakhs Ninety Five Thousand Five Hundred and Eighteen and Paise Forty Five), plus interest @ 10% per annum per Equity Share for the delay in the payment beyond the Scheduled Payment Date, assuming full acceptance of this Offer unless there is a revision in the Offer Price or Offer Size.
MICR	Magnetic Ink Character Recognition
NEFT	National Electronic Funds Transfer
NRI	Non Resident Indian, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body, as defined under Foreign Exchange Management (Deposit) Regulations, 2000
Offer / Open Offer	This open offer, which is being made by the Acquirer along with the PAC to the Shareholders of the Target Company, for acquiring up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred and Thirty Nine) Equity Shares, representing 26% (Twenty Six Per Cent) of the Voting Share Capital
Offer Period	The period between the date of entering into the Agreement and the date on which the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be
Offer Price	Price of INR 68.55 (Rupees Sixty Eight and Paise Fifty Five)
Offer Size	Up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred and Thirty Nine) Equity Shares, representing 26% (Twenty Six Per Cent) of the Voting Share Capital
Original Offer	The open offer launched by SCM Soilfert Limited together with Deepak Fertilisers and Petrochemicals Corporation Limited launched for the equity shares of the Target Company vide their public announcement

	dated April 23, 2014 for acquiring up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred and Thirty Nine) Equity Shares, representing 26% (Twenty Six Per Cent) of the Equity Share Capital of the Target Company
Overseas Tax	Tax payable under the tax laws applicable in overseas jurisdictions
PA / Public Announcement	Public announcement dated May 12, 2014, issued by the Managers to the Offer on behalf of the Acquirer and the PAC, in relation to this Offer
PAC	PAC 1, PAC 2, PAC 3 and PAC 4, collectively
PAC 1	Zuari Agro Chemicals Limited having its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726; Tel.: +91 832 2592180; Fax: +91 832 2555279
PAC 2	United Breweries (Holdings) Limited having its registered office at UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore – 560001
PAC 3	Kingfisher Finvest India Limited having its registered office at UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore – 560001
PAC 4	McDowell Holdings Limited having its registered office at UB Tower, Level 12, UB City, #24, Vittal Mallya Road, Bangalore – 560 001
PAN	Permanent Account Number
QFI	Qualified Financial Institution
RBI	Reserve Bank of India
Registrar to the Offer	Karvy Computershare Private Limited, having its registered office at Plot No. 17 – 24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081
Rs. / Rupees / INR	Indian Rupees
RTGS	Real Time Gross Settlement
Scheduled Payment Date	September 03, 2014, being the last date for payment of consideration under the Offer in accordance with the original timelines for the Offer pursuant to the receipt of SEBI observations on July 16, 2014 and as stipulated under the SEBI (SAST) Regulations
SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
Shareholders	Public shareholders of the Target Company excluding: (i) the parties to the Agreement and (ii) persons acting in concert or deemed to be acting in concert with such parties including the PAC
Stock Exchanges	Stock exchanges where Equity Shares of the Target Company are listed i.e. BSE, NSE and BgSE
Target Company	Mangalore Chemicals & Fertilizers Limited, having its registered office at UB Tower, Level 11, UB City, No. 24, Vittal Mallya Road, Bangalore – 560001
Tax Clearance Certificate / TCC	Certificate to be furnished by the NRIs/OCBs/FIIs and other non-resident Shareholders indicating the amount to be deducted by the Acquirer under the Income Tax Act, before remitting the consideration for the Equity Shares tendered by them under the Offer
Tendering Period	Period commencing from Wednesday, October 01, 2014 and closing on Friday, October 17, 2014 (both days inclusive), or such other revised period pursuant to the SEBI (SAST) Regulations, including Regulation

	20(8) thereof as this is a competing offer
UB Group	The group of companies controlled by Dr. Vijay Mallya.
Working Day	A working day of SEBI in Mumbai

Note: *All terms beginning with a capital letter used in this Letter of Offer, and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations.*

1. 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. THE 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 SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THERETO. 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 FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGERS TO THE OFFER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGERS TO THE OFFER, AMBIT AND I-SEC, HAVE SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 27, 2014 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THERETO. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER OR THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. DETAILS OF THIS OFFER

2.1 Background to this Offer

For the purposes of this paragraph 2.1 (Background to this Offer) of this LoF, the term 'UB Group' shall mean PAC 2, PAC 3, PAC 4 and the term 'Adventz Group' shall mean the Acquirer and PAC 1.

2.1.1 This Offer is being made in compliance with Regulation 20 of the SEBI (SAST) Regulations, as a competing offer to the Original Offer. For the purposes of making this competing offer, the Acquirer and the PAC have entered into the Agreement. This Offer is also a mandatory offer in compliance with Regulation 3(1), Regulation (4) and other applicable regulations of the SEBI (SAST) Regulations, as a result of execution of the Agreement.

2.1.2 SCM Soilfert Limited together with Deepak Fertilisers and Petrochemicals Corporation Limited launched an open offer for the Equity Shares of the Target Company vide their public announcement dated April 23, 2014 for acquiring up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred and Thirty Nine) Shares, representing 26% of the Equity Share Capital of the Target Company at a price of INR 61.75 (Rupees Sixty One and Paise Seventy Five) per Equity Share, which was subsequently revised to INR 63.00 (Rupees Sixty Three) per Equity Share through their detailed public statement dated May 1, 2014.

2.1.3 If the Original Offer is successful, the UB Group, being the current promoters of the Target Company, will lose control over the Target Company. The UB Group is desirous of protecting its investment in the Target Company, for which it is necessary to make a competing offer against the Original Offer.

2.1.4 The Acquirer and PAC 1 are part of the Adventz Group which is independent of the UB Group. The Acquirer, as on the date of execution of the Agreement held 16.43% of the Voting Share Capital of the Target Company. Presently, the UB Group is not in a position to finance this competing offer and the Acquirer is willing to finance the competing offer and participate in the management of the Target Company. Accordingly, the Acquirer, PAC 1 (holding company of the Acquirer) and PAC 2, PAC 3 and PAC 4 (being part of the UB Group) have decided to act in concert against the Original Offer by launching a competing offer and have entered into the Agreement pursuant to the consummation of which, the Acquirer and the PAC shall exercise their respective voting rights in concert towards certain management decisions of the Target Company. Further, the Acquirer and PAC 1 (belonging to the Adventz Group) will also become a part of the promoter group of the Target Company, pursuant to completion of the Offer.

2.1.5 The salient features of the Agreement are as follows:

- Dr. Vijay Mallya shall continue to be the Chairman of the Board, and shall remain Chairman of the Board at least for a period of 5 (five) years from the date of completion of the competing offer.

- The Adventz Group shall exercise its voting rights in accordance with prior written instructions of the UB Group in respect of (i) any amendment to clause 98 (c) in the articles of association of the Target Company ("Articles") pertaining to UB Group's right to appoint 3 (three) directors; and (ii) any increase in the existing issued and paid-up capital of the Target Company provided however the required consent or written instructions for a rights issue will not be unreasonably withheld.

- The UB Group shall continue to be entitled to appoint 3 (three) directors on the Board as provided in the Articles. Upon completion of the Offer, the Adventz Group shall be entitled to appoint 1 (one) director on the Board of Directors.

- No decision shall be taken and no voting right exercised by either Adventz Group or UB Group in relation to the matters set out below whether at a meeting of the shareholders of the Target Company or at a meeting of the Board, unless such decision has been mutually agreed or consented to by the Adventz Group and the UB Group:
  - Any voluntary dissolution, liquidation or winding up of the Target Company
  - Any merger, consolidation, share exchange, re-organisation, re-capitalisation or other amalgamation involving the Target Company;
  - Any related party transaction;
  - Any amendment to the memorandum of association of the Target Company or Articles save and except Clause 98(c) in the Articles pertaining to UB Group's right to appoint directors;
  - Appointment of independent directors; and
  - Any decision regarding managerial remuneration.

- The UB Group and the Adventz Group have provided a right of first refusal to each other in relation to any sale, assignment, transfer or disposition of the Shares to a third party in accordance with the provisions of the Agreement. However, the right of first refusal is not applicable in case of any sale, assignment, transfer or disposition of any Shares held by UB

Group by way of a compromise or arrangement with its creditors pursuant to any orders of any court, and subject to existing court orders.

- In the event, any Equity Shares held by the members of any of the Adventz Group or the UB Group, are disposed of or sold or is proposed to be disposed of or sold by any pledgee(s) or any lender(s) or any regulatory authority on account of any breach of contract or law, including by way of an auction process the members of the other group shall be entitled to participate in such disposal process to acquire such pledged Equity Shares including negotiate with such pledgee(s) with an intention to buy the pledged Equity Shares whether through private arrangement or public auction.

- Upon completion of the Offer and for a period of 5 (five) years thereafter, in the event of shareholding of two groups being unequal, the group with lesser shareholding shall be entitled to equalize its shareholding with the other group by way of creeping acquisition(s) under Regulation 3 of the SEBI (SAST) Regulations and in the case of the UB Group, it shall also have an option to purchase such number of Shares from the Adventz Group such that the shareholding of both the groups in the Target Company is equalized.

- For a period of 5 (five) years from the date of the Agreement or for a period 6 (six) months from the date of termination of the Agreement, whichever is later, the UB Group shall have a right to call upon the Adventz Group to acquire any or all of the Equity Shares held by the members of the UB Group upon mutually agreed terms and conditions ("Put Option") subject to there being no prohibitory orders or contractual restraints on the UB Group from selling, transferring or disposing of their Shares. In case UB Group exercises the aforesaid Put Option within 12 (twelve) months of completion of this competing offer, UB Group will provide adequate representations, warranties and indemnities in favour of the Adventz Group in relation to the Target Company till the date of exercise of such Put Option.

- Consummation of the transactions contemplated in the Agreement is subject to receipt of applicable approvals from the regulatory authorities including the Competition Commission of India.

- The Agreement shall be terminated upon either UB Group or the Adventz Group terminating the Agreement as a consequence of an event of default by the members of the other group or by mutual written consent or upon either group ceasing to exercise at-least 5% of the total voting rights in the Target Company.

- The UB Group and the Adventz Group shall each perform the provisions of and their respective duties under the Agreement and exercise all their powers and rights as shareholders / through nominee directors or otherwise to give effect to the Agreement subject to applicable laws.

2.1.6 The Acquirer and the PAC have not been prohibited by SEBI from dealing in securities in terms of any directions issued under Section 11B of the SEBI Act or under any other applicable regulations made under the SEBI Act.

2.1.7 Upon completion of this Offer, the Adventz Group will be entitled to nominate one director on the Board of Directors of the Target Company.

2.1.8 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors shall constitute a committee of independent directors to provide their written reasoned recommendation on the Offer to the Shareholders and such recommendations shall be published at least two (2) Working Days before the commencement of the Tendering Period in the same newspapers where the DPS related to the Offer was published, in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

2.2 Details of the proposed Offer

2.2.1 This Offer is being made in compliance with Regulation 20 of the SEBI (SAST) Regulations, as a competing offer to the open offer made by SCM Soilfert Limited along with Deepak Fertilisers and Petrochemicals Corporation Limited, and in compliance with Regulation 3(1), Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations, as a result of execution of the Agreement.

2.2.2 The Public Announcement was issued on May 12, 2014 to the Shareholders of the Target Company through the Stock Exchanges, by the Managers to the Offer for and on behalf of the Acquirer and the PAC.

2.2.3 Subsequently, the Acquirer and the PAC published the Detailed Public Statement on May 20, 2014 in the following newspapers:

Newspaper	Language	Editions
Business Standard	English	All
Business Standard	Hindi	All
Mumbai Lakshadeep	Marathi	Mumbai
Hosa Digantha	Kannada	Bengaluru

A copy of the DPS is also available on the website of SEBI: www.sebi.gov.in

2.2.4 This Offer is being made by the Acquirer, along with the PAC, to all Shareholders of the Target Company, to acquire up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred and Thirty Nine) Shares, representing 26% (Twenty Six Percent) of the Voting Share Capital of the Target Company, at a price of Rs. 68.55 (Rupees Sixty Eight and Paise Fifty Five) per Equity Share, to be paid in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS and this Letter of Offer.

2.2.5 There are no partly paid up Equity Shares in the Target Company. Further, there is no differential pricing for the Offer.

2.2.6 The calculation of the Equity Share Capital / Voting Share Capital of the Target Company and the Offer Size is as follows:

Particulars	Issued and Paid up Equity Shares and Voting Rights	% of Total Equity Shares / Voting Share Capital
Fully paid up Equity Shares as on the date of PA	11,85,15,150	100%
Partly paid up Equity Shares as on the date of PA	Nil	Nil
Total	**11,85,15,150**	**100%**

VOTING SHARE CAPITAL (as on the 10th Working Day from the Closure of the Tendering Period of the Offer)	
Equity Shares as on the date of PA	11,85,15,150

Offer Size (26% of the Voting Share Capital)	3,08,13,939

2.2.7 All the Equity Shares validly tendered under this Offer to the extent of 26% of the Voting Share Capital of the Target Company will be acquired by the Acquirer in accordance with the terms and conditions set forth in this Letter of Offer. The Shareholders of the Target Company who tender their Equity Shares under this Offer should ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares of the Shareholders of the Target Company, who validly tender their Equity Shares, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereon.

2.2.8 This Offer is subject to certain statutory and regulatory approvals as set out in paragraph 6.16 – Statutory & Other Approvals of this Letter of Offer. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals specified in paragraph 6.16 – Statutory & 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 Managers to the Offer) shall make a public announcement, within two Working Days of such withdrawal, in the same newspapers in which the 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. In this regard, it may be noted that the CCI has, pursuant to an order dated September 04, 2014, granted its approval to the Acquirer and PAC 1 for the proposed Open Offer for Equity Shares of the Target Company, as published on September 15, 2014.

2.2.9 This Offer is a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. Brief details of the Original Offer are as follows:

Name of acquirer	SCM Soilfert Limited
Name of the PAC	Deepak Fertilisers and Petrochemicals Corporation Limited
Name of the manager to the First Offer	JM Financial Institutional Securities Limited
Number of Equity Shares proposed to be acquired	Up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred and Thirty Nine)
Percentage of Equity Shares proposed to be acquired	26% (Twenty Six Percent) of the Equity Share Capital of the Target Company
Date of public announcement ("**First PA**")	Wednesday, April 23, 2014
Date of detailed public statement ("**First DPS**")	Thursday, May 01, 2014
Date of the Draft Letter of Offer ("**First DLOF**")	Thursday, May 08, 2014
Original Offer opening date	Tuesday, June 17, 2014
Offer price	Original offer price as per public announcement dated April 23, 2014 was INR 61.75 (Rupees Sixty One and Paise Seventy Five) per Equity Share. Subsequently, the offer price was revised to INR 63.00 (Rupees Sixty Three) per Equity Share through the detailed public statement dated May 1, 2014
Mode of payment	Cash

2.2.10 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.

2.2.11 The Acquirer and the PAC have not acquired any Equity Shares after the date of the PA, i.e. May 12, 2014, and up to the date of this Letter of Offer.

2.2.12 The Acquirer and/or PAC may withdraw the Offer under Regulation 23 of the SEBI (SAST) 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 the DPS was published and such public announcement will also be sent to the Stock Exchanges, the SEBI and the Target Company at its registered office.

2.2.13 As per Clause 40A of the Listing Agreements, read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding as determined in accordance with the SCRR, on a continuous basis for listing. The acquisition of the Equity Shares proposed to be acquired under this Offer together with the Equity Shares currently held by the Acquirer and the PAC shall not result in the public shareholding in the Target Company falling below the minimum level required for continued listing under Clause 40A of the Listing Agreements and Rule 19A of the SCRR.

2.3 Objects of the Agreement and this Offer

2.3.1 The primary objective of the Agreement is to protect the investment and retain control in the Target Company. The Acquirer and PAC 1 believe that the line of business of the Acquirer and PAC 1 being similar to the line of business of the Target Company, the execution of the Agreement will create synergies between the operations of the Target Company and those of the Acquirer and PAC 1. The Acquirer and the PAC intend to continue with the existing line of business of the Target Company and expand it with appropriate support and by harnessing the aforesaid synergies.

2.3.2 In terms of Regulation 25(2) of the SEBI (SAST) 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 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 two years from the completion of this Offer.

3. BACKGROUND OF THE ACQUIRER AND THE PAC

A. Zuari Fertilisers and Chemicals Limited

3.1 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.

3.2 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.

3.3 The Acquirer is registered with the Registrar of Companies, Goa, Daman and Diu, bearing CIN - U24120GA2009PLC006158. The registered office of Acquirer is situated at Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726, Tel: 0832 2592440, Fax: 0832 2555279.

3.4 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.

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

3.6 The equity shares of the Acquirer are not listed on any stock exchange. The shareholding pattern of the Acquirer as on the date of this LoF is as follows:

Sr. No.	Shareholder's Category	No. of equity shares held	Percentage of equity shares held
1	Promoters	1,53,50,000	100.00%
2	FII/ Mutual-Funds/ FIs / Banks	-	-
3	Public	-	-
	Total Paid Up Capital	**1,53,50,000**	**100.00%**

3.7 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the Acquirer, are as follows:

Sr. No.	Name of Director, DIN and Designation	Experience	Qualification	Date of Appointment
1.	Mr. Saroj Kumar Poddar DIN: 00008654 Designation: Director	Over 40 years of experience. Leading Indian industrialist of international repute and chairman of the Adventz Group. The group has promoted various projects including joint ventures with leading international corporations.	B. Com (Hons) from Calcutta University	May 31, 2011
2.	Mr. Narayanan Suresh Krishnan DIN: 00021965 Designation: Director	Over 27 years of experience in corporate finance, strategy planning in fertilisers, energy, infrastructure and cement sectors. Associated with Adventz Group and related companies for nearly two decades.	B.E. Hons and M.Sc. from BITS (Pilani)	August 11, 2009
3.	Mr. Naveen Kumar Kapoor DIN: 01680157 Designation: Director	Over 35 years of experience in Agri business; worked with Chambal Fertilisers and several other multinational companies, professional experience includes diverse functional responsibilities in sales and marketing, supply chain, and international trade	B.Sc., M.B.A	August 11, 2009
4.	Mr. Soundara Raghavan Rangachari DIN: 00362555 Designation: Director	Over 40 years of experience in corporate finance, strategy, planning, operations for industries such as fertilizers, chemicals, steel, textile and electronics	Chartered Accountant & Company Secretary	May 9, 2013

There are no directors representing the Acquirer on the Board of Directors of the Target Company.

3.8 As on the date of this LoF, the Acquirer holds 1,94,71,787 Equity Shares representing 16.43% of the Voting Share Capital of the Target Company. Except for this holding in the Target Company, the Acquirer, its directors and its key managerial employees have no other interest in the Target Company.

3.9 The Acquirer did not hold any Equity Shares in the Target Company prior to September 23, 2011 and hence the provisions of 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 complied with the applicable provisions of Chapter V of the SEBI (SAST) Regulations, with respect to its holding in the Target Company, within the time period specified therein.

3.10 As on the date of this Letter of Offer, the Acquirer has not acquired any Equity Shares of the Target Company post the date of the PA.

3.11 The key financial information of Acquirer is as follows:

All figures in INR crores

Profit & Loss Statement	**Financial Year Ended March 31,**		
	2014	**2013**	**2012**
Income from Operations	0.94	-	-
Other Income	5.94	3.61	0.86
Total Income	**6.88**	**3.61**	**0.86**
Total Expenditure	**3.96**	**4.60**	**1.59**
Profit/(Loss) before Depreciation, Interest & Tax	**2.92**	**(0.99)**	**(0.73)**
Depreciation	0.02	0.02	0.02
Interest and Finance Charges	10.49	2.45	0.42
Profit/ (Loss) Before Tax	**(7.59)**	**(3.46)**	**(1.17)**
Provision for Tax	-	-	-
Profit/ (Loss) After Tax	**(7.59)**	**(3.46)**	**(1.17)**

All figures in INR crores

Balance Sheet	**As on March 31,**		
	2014	**2013**	**2012**
Sources of Funds			
Paid up Share Capital	15.35	0.05	0.05
Reserves and Surplus (excluding Revaluation Reserves)	(12.45)	(4.86)	(1.40)
Net worth	**2.90**	**(4.81)**	**(1.35)**
Secured Loans	22.45	-	-
Unsecured Loans	148.28	46.67	67.50
Total	**173.63**	**41.86**	**66.15**
Uses of funds			
Net fixed assets (Note – 1)	49.94	11.78	4.59
Investments	95.51	-	-
Net current assets	18.12	16.59	18.51
Other net assets	10.06	13.49	43.05
Total miscellaneous expenditure not written off	-	-	-
Total	**173.63**	**41.86**	**66.15**

(In INR, except percentages)

Other Financial Data	**Financial Year Ended March 31,**		
	2014	**2013**	**2012**
Dividend (%)	-	-	-
Earnings Per Share (EPS) - Basic and Diluted	(14.12)	(692.35)	(232.20)

Note:
1. *Net Fixed Assets include Capital Work-in-progress.*
2. *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.*

3.12 As on March 31, 2014, the date of the last audited accounts, the Acquirer does not have any contingent liabilities.

B. Zuari Agro Chemicals Limited

3.13 PAC 1 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 1 was changed to its present name on September 28, 2012 pursuant to fresh certificate of incorporation, consequent upon change of name, issued by Registrar of Companies, Goa, Daman and Diu.

3.14 PAC 1, part of the Adventz Group, manufactures, sells, and trades fertilizers in India. It has manufacturing facilities at Zuarinagar, Goa, which produce Urea and complex fertilizers. It also sells other agricultural inputs, such as micronutrients, specialty fertilizers, composts, organic manure and seeds.

3.15 PAC 1 is registered with the Registrar of Companies, Goa, Daman and Diu, bearing CIN - L65910GA2009PLC006177. The registered office of PAC 1 is situated at Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726, Tel: 0832 2592440, Fax: 0832 2555279. The corporate office of PAC 1 is situated at Global Business Park, Tower 'A', 5th Floor, M.G. Road, Gurgaon – 122 002, Haryana.

3.16 PAC 1 is the holding company of the Acquirer. PAC 1 is a part of the Adventz Group which is controlled by Mr. Saroj Kumar Poddar.

3.17 The issued and paid up share capital of PAC 1 is INR 42,05,80,060 comprising of 4,20,58,006 equity shares of INR 10 each. The brief shareholding pattern of PAC 1 as on September 12, 2014 is provided below:

Sr. No.	Shareholder's Category	No. of equity shares held	Percentage of equity shares held
1	Promoters and Promoter Group	3,08,75,242	73.41%
2	FII/ Mutual-Funds/ FIs / Banks	71,21,221	16.93%
3	Public	40,61,543	9.66%
	Total Paid Up Capital	**4,20,58,006**	**100.00%**

As on September 12, 2014, no public shareholder is holding more than 5% of the equity capital of PAC 1.

3.18 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of PAC 1, are as follows:

Sr. No.	Name of Director, DIN and Designation	Experience	Qualification	Date of Appointment
1.	Mr. Saroj Kumar Poddar DIN: 00008654	Over 40 years of experience. Leading Indian industrialist of international repute	B. Com (Hons) from Calcutta	May 20, 2011

	Designation: Chairman	and chairman of the Adventz Group. The group has promoted various projects including joint ventures with leading international corporations.	University	
2.	Mr. Akshay Poddar DIN: 00008686 Designation: Whole-time Director	Over 14 years of track record of promoting and managing businesses in diversified industries like fertilizers, agri-inputs, heavy engineering, process engineering, sugar, consumer products, real estate, investments and furniture etc.	Honors in Accounting & Finance from London School of Economics and Political Science, University of London	November 14, 2011
3.	Mr. Narayanan Suresh Krishnan DIN: 00021965 Designation: Managing Director	Over 27 years of experience in corporate finance, strategy planning in fertilisers, energy, infrastructure and cement sectors, he has been associated with the Adventz Group and related companies over nearly two decades.	B.E. Hons and M.Sc. from BITS (Pilani)	September 10, 2009
4.	Mr. Arun Duggal DIN: 00024262 Designation: Director	Over 30 years of experience as international banker, advising corporations on financial strategy, M&A and capital raising areas. International advisor to various corporations, major financial institutions and private equity firms.	Mechanical Engineering from IIT Delhi and MBA from the IIM, Ahmedabad	March 27, 2012
5.	Mr. Jayant Narayan Godbole DIN: 00056830 Designation: Director	Over 37 years of diversified experience ranging from production-in-charge of a private sector SSI, Managing Director of IDBI, advisor to state Government of Sabah in Malaysia	Chemical engineer from IIT Bombay and MBA in Financial Management from Jamnalal Bajaj Institute of Management Studies	May 20, 2011
6.	Mr. Marco Philippus Ardeshir Wadia DIN: 00244357 Designation: Director	Over 28 years of experience in the legal profession with specialization in corporate matters, mergers and acquisitions, Partner in Crawford Bayley & Co., Advocates and Solicitors	LLB	May 20, 2011
7.	Mr. Gopal Krishna Pillai DIN: 02340756 Designation: Director	Retired IAS official, served in the state level and the central level at various positions. Mr. Pillai retired from government service in June 2011 after serving as Secretary, Ministry of Home Affairs	M.Sc. in Chemistry from IIT Madras	July 30, 2012

There are no directors representing PAC 1 on the Board of Directors of the Target Company.

3.19 As on the date of this LoF, PAC 1 does not hold any Shares of the Target Company. Except for the following agreements with the Target Company, its directors and its key managerial employees have no other interest in the Target Company:

- PAC 1 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);

- PAC 1 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.

3.20 As PAC 1 has never held any Equity Shares of the Target Company in the past 10 years, the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, and the provisions with regard to disclosures under Chapter V of the SEBI (SAST) Regulations are not applicable to PAC 1.

3.21 As on the date of this Letter of Offer, PAC 1 has not acquired any Equity Shares of the Target Company post the date of the PA.

3.22 The key financial information of PAC 1 is as follows:

All figures in INR crores

Profit & Loss Statement	**Financial Year Ended March 31,**		
	2014	**2013**	**2012**
Net Income from Operations	7,340.75	7,889.14	8,221.26
Other Income	80.05	101.50	93.40
Total Income	**7,420.80**	**7,990.64**	**8,314.66**
Total Expenditure	**7,072.97**	**7,554.05**	**7,930.67**
Profit/(Loss) before Depreciation, Interest & Tax	**347.83**	**436.59**	**383.99**
Depreciation	34.02	38.09	28.64
Interest and Finance Charges	379.82	303.34	87.91
Profit/ (Loss) Before Tax	**(66.01)**	**95.16**	**267.44**
Tax	(9.44)	20.72	86.85
Profit/ (Loss) After Tax	**(56.57)**	**74.44**	**180.59**
Less: Share of Minority Interest in Profits	(12.30)	10.13	16.18
Net Profit / (Loss) After Tax and Minority Interest attributable to shareholders of ZACL	**(44.27)**	**64.31**	**164.41**

All figures in INR crores

Balance Sheet	**As on March 31,**		
	2014	**2013**	**2012**
Sources of Funds			
Paid up Share Capital	42.06	42.06	42.06
Reserves & Surplus (excluding Revaluation Reserves)	975.34	1,026.96	977.42
Net worth	**1,017.40**	**1,069.02**	**1,019.48**
Secured Loans	3,545.58	3,983.95	3,251.72
Unsecured Loans	201.01	442.50	325.00
Other Net Liabilities (Note – 1)	91.09	26.72	48.28
Total	**4,855.08**	**5,522.19**	**4,644.48**
Uses of funds			
Net fixed assets (Note – 2)	731.59	508.38	395.64
Investments	205.84	0.77	0.81
Net current assets	3,917.65	5,013.04	4,248.03
Total miscellaneous expenditure not written off	**-**	**-**	**-**
Total	**4,855.08**	**5,522.19**	**4,644.48**

(In INR, except percentages)

Other Financial Data	**Financial Year Ended March 31,**

	2014	2013	2012
Dividend (%)	30%	30%	30%
Earnings Per Share (EPS) - Basic and Diluted	(10.52)	15.29	49.35

Notes:

1. *Other Net liabilities include aggregate of Other Long Term Liabilities, Long Term Provisions, Deferred Tax Liabilities and Minority Interest after netting off Long Term Loans and Advances, Other Non-Current Assets, and Deferred Tax Assets.*
2. *Net Fixed Assets include Goodwill on Consolidation and Capital Work-in-progress.*
3. *The financial information set forth above has been extracted from the audited consolidated financial statements of PAC 1 as at and for the financial year ended March 31, 2014, March 31, 2013 and March 31, 2012.*
4. *The fertilizer business of Zuari Global Limited (erstwhile Zuari Industries Limited) was demerged into PAC 1 with effect from July 1, 2011.*

3.23 Details of contingent liabilities of PAC 1 as on March 31, 2014 is as provided below:

Particulars	Amount (INR Crore)
Income Tax Demands	15.96
Custom/Excise Demands	4.88
Sales Tax/ VAT Demands	99.56
Claims by suppliers and Others	69.96
Total	**190.36**
Bank Guarantees	89.62

3.24 The equity shares of PAC 1 are listed on BSE (Scrip ID: ZUARIAGRO, Scrip Code: 534742) and NSE (Symbol: ZUARI, ISIN: INE840M01016). The equity shares of PAC 1 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 1. The closing price of the equity shares of the PAC 1 as quoted on BSE on September 19, 2014 is Rs. 209.70 and on NSE on September 19, 2014 is Rs. 211.00.

3.25 The PAC 1 has complied with all the provisions of the listing agreements of the BSE and the NSE relating to corporate governance.

3.26 Details of the compliance officer of the PAC 1 are as follows:
Mr. R.Y. Patil
Chief General Manager & Company Secretary
Zuari Agro Chemicals Limited
Jai Kisaan Bhawan
Zuarinagar – Goa 403 726
Tel No. : 91-832-2592440
Fax No. : 91-832-2555279
E-mail: shares@adventz.com
investor.relations@adventz.com

C. United Breweries (Holdings) Limited

3.27 PAC 2 is a public limited company, incorporated on March 23, 1915 under the name 'United Breweries Limited' in Madras. The name 'United Breweries Limited' was changed to 'UB Limited' on January 9, 1989. The name 'UB Limited' was later changed back to 'United Breweries Limited' on July 2, 1993. The name 'United Breweries Limited' was changed to 'Kingfisher Properties & Holdings Limited' on August 7, 2002, and was subsequently changed to United Breweries (Holdings) Limited with effect from October 11, 2002.

3.28 PAC 2 is the flagship holding company of the UB Group through which the UB Group holds stake in various companies which comprise the UB Group. PAC 2 is controlled by Dr. Vijay Mallya. PAC 2 derives its income from exports of alcoholic beverages, footwear, clothing, lease rentals, property development, dividends from investee companies, licensing fees, interest and guarantee commissions from investee companies.

3.29 PAC 2 is registered with the Registrar of Companies, Bangalore, Karnataka, bearing CIN - L85110KA1915PLC000740. The registered office of PAC 2 is situated at UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore – 560 001, Tel: 080-39856079, Fax: 080-22274890.

3.30 The issued and paid up share capital of PAC 2 is INR 66,81,85,210 comprising of 6,68,18,521 equity shares of INR 10 each. The brief shareholding pattern of PAC 2 as on September 12, 2014 is provided below:

Sr. No.	Shareholder's Category	No. of equity shares held	Percentage of equity shares held
1	Promoters and Promoter Group	3,49,73,280	52.34%
2	FII/ Mutual-Funds/ FIs / Banks / /Central Government / State Government / Insurance Companies	39,38,454	5.89%
3	Public	2,79,06,787	41.77%
	Total Paid Up Capital	**6,68,18,521**	**100.00%**

As on September 12, 2014, no public shareholder is holding more than 5% of the equity capital of PAC 2.

3.31 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of PAC 2, are as follows:

Sr. No.	Name of Director, DIN and Designation	Experience	Qualification	Date of Appointment
1.	Dr. Vijay Mallya DIN: 00122890 Designation: Non-Executive Chairman	Dr. Vijay Mallya is a well-known industrialist and took over the reins of UB Group in 1983. He is the chairman of several public companies in India as well as in USA and has received several awards in India and overseas.	B.Com (Hons); Ph.D. in Business Administration	October 17, 1983
2.	Mr. Sidhartha V. Mallya DIN: 00991076 Designation: Non-Executive Director	Mr. Sidhartha V. Mallya has expertise in marketing and brand development.	B.Sc. Queen Mary University, London	May 07, 2005
3.	Mr. N. Srinivasan DIN: 00004195 Designation: Independent Director	Mr. N. Srinivasan has over 50 years of experience in the field of finance, accounts and audit. He served as a senior partner of Fraser & Ross, Deloitte Haskins & Sells, Chennai.	B.Com. Chartered Accountant	August 25, 1997
4.	Mr. M S Kapur DIN: 00703815 Designation:	Mr. M S Kapur is a career banker with more than 41 years of experience. He retired as chairman and managing director of Vijaya Bank.	B.Sc, M.A Punjab University	December 07, 2009

	Independent Director	He is the former executive director and officiating chairman and managing director of Syndicate Bank and Punjab & Sind Bank.		
5.	Dr. Lalit Bhasin DIN: 00001607 Designation: Independent Director	Dr. Lalit Bhasin has rendered various professional services through his law firm and has authored various books on law. He was honoured by Hon'ble Chief Justice of India on Law Day, November 6, 2012 for completing 50 years in the legal profession. He is the vice president of The Bar Association of India. He was awarded the Indira Gandhi National Unity Award and award for Excellence in Professionalism in 1991.	B.A. (Hons.) L.L.B	May 30, 2013

There are no directors representing PAC 2 on the Board of Directors of the Target Company. However, Dr. Vijay Mallya is the Chairman of the Board of Directors of the Target Company as well as of the Board of Directors of PAC 2. Therefore, in accordance with Regulation 24(4) of the SEBI (SAST) Regulations, he shall not participate in any deliberations of the Board of Directors of the Target Company, or vote on any matter in relation to the Offer.

3.32 As on the date of this Letter of Offer, PAC 2 holds 1,78,36,068 Equity Shares representing 15.05% of the Voting Share Capital of the Target Company, of which 47,53,881 Equity Shares are pledged. Further, Dr. Vijay Mallya is the Chairman of the Board of Directors of the Target Company. Except for these interests, and the following agreements entered into with the Target Company, PAC 2, its directors and its key managerial employees have no other interest in the Target Company:

- PAC 2 has executed a trademark licence agreement dated July 11, 2006 for use of its trademark & corporate logo; and
- PAC 2 has executed a supplemental management service agreement dated February 10, 2014 to provide various management services to the Target Company.

3.33 PAC 2 has complied with the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, and the provisions with regard to disclosures under Chapter V of the SEBI (SAST) Regulations during the past 10 years.

3.34 As on the date of this Letter of Offer, PAC 2 has not acquired any Equity Shares of the Target Company post the date of the PA.

3.35 The key financial information of PAC 2 is as follows:

All figures in INR crores

Profit & Loss Statement	**Year ended March 31, 2014 (Audited Consolidated)**	**Year ended March 31, 2013 (Audited Consolidated)**	**Year ended March 31, 2012 (Audited Consolidated)**
Income from Operations	736.38	759.22	6,003.95
Other Income	75.07	110.90	610.86
Total Income	**811.45**	**870.12**	**6,614.81**
Total Expenditure	**4,365.22**	**562.24**	**6,931.40**
Profit/(Loss) before Depreciation, Interest & Tax	**(3,553.77)**	**307.88**	**(316.59)**
Interest	484.46	561.54	1,535.93

Depreciation	15.05	15.78	280.30
Exceptional Items	2,674.85	-	-
Profit/ (Loss) Before Tax	**(1,378.43)**	**(269.44)**	**(2,132.82)**
Tax	16.80	0.46	(563.63)
Profit/ (Loss) After Tax	**(1,395.22)**	**(269.91)**	**(1,569.19)**

All figures in INR crores

Balance Sheet	**Year ended March 31, 2014 (Audited Consolidated)**	**Year ended March 31, 2013 (Audited Consolidated)**	**Year ended March 31, 2012 (Audited Consolidated)**
Sources of Funds			
Paid up Share Capital	66.82	66.82	66.82
Minority Interest	9.65	210.62	9.11
Reserves & Surplus (excluding Revaluation Reserves)	(774.33)	1,931.10	2,192.19
Net worth	**(697.86)**	**2,208.53**	**2,268.12**
Secured Loans	1,509.02	3,223.35	2,493.35
Unsecured Loans	1,817.70	1,483.07	985.45
Total	**2,628.86**	**6,914.95**	**5,746.93**
Uses of funds			
Net fixed assets	265.23	266.53	262.80
Investments	1,805.11	3,863.17	3,855.78
Net current assets	515.06	2,741.80	1,584.90
Goodwill on consolidation	43.46	43.45	43.45
Total miscellaneous expenditure not written off	-	-	-
Total	**2,628.86**	**6,914.95**	**5,746.93**

(In INR, except percentages)

Other Financial Data	**Year ended March 31, 2014 (Unaudited Standalone)**	**Year ended March 31, 2013 (Audited Consolidated)**	**Year ended March 31, 2012 (Audited Consolidated)**
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (EPS) - Basic and Diluted	(208.57)	(43.75)	(226.20)

Notes:

1. *Profit/ (Loss) after tax for the financial year ended March 31, 2014, March 31, 2013 and March 31, 2012 is before minority interest and share of associates.*
2. *The qualifications by the statutory auditor in the audit report for the period ended March 31, 2014 are as follows:*
   a) *"The company has investments of Rs. 8,424 million in Kingfisher Airlines Limited (KFA) which have been accounted for in the Consolidated Financial Statements under AS-13 "Accounting for Investments". Due to financial difficulties, KFA has stopped its operations. Its net worth is fully eroded and some of its lenders/lessors have filed winding up petitions against it. These factors, along with others, have caused diminution in the carrying value of company's investments in KFA (Refer note no. 33 to financial statements). No provision has been made in the accounts for such diminution in the carrying value of investments. Had the company made such provisions, the loss disclosed in the Consolidated Statement of Profit and Loss would have been higher by such amount and carrying amount of investments would have been lower by that amount. Further, the company has extended corporate guarantees of Rs. 87,072 million in favour of lenders/lessors/creditors of KFA (Refer note no. 50 to FY14 financial statements). The beneficiaries of such guarantees have invoked the guarantees and pursuing recovery actions against the company. This may result in loss to the company. (Refer note no. 50 to FY14 financial statements). No provision has been made in the accounts for such probable loss. Had the company made such provisions, the loss disclosed in the Consolidated Statement of Profit and Loss would have been higher by such amount and liabilities in the Balance Sheet would have been higher by such amount.*

b) *The company carries investments in certain subsidiaries and an associate company which have been accounted for in the Consolidated Financial Statements under AS-13 "Accounting for Investments". The carrying value of such investments is Rs. 1,117 million. There are significant declines in the carrying value of these investments but the company has not quantified and provided for such declines. Had the company provided for such decline, the loss stated in Consolidated Statement of Profit and Loss would have been higher by such amount and the carrying value of those investments would have been lower by an equal amount (refer note 32 to FY14 financial statements).*

c) *An associate company owes to the company Rs. 812 million. Net worth of this company is eroded, impairing the recovery of such loans and advances. Company has not quantified and provided for the probable loss on this count. Had the company provided for such loss, the loss stated in the Consolidated Statement of Profit and Loss would have been higher by such amount and the loans and advances stated in the Consolidated Balance Sheet would have been lower by that amount (refer note 40 to FY14 financial statements).*

d) *Winding up petitions filed against the Company have been admitted by the Honourable High Court of Karnataka and is allowed to be proceeded with by the Honourable Supreme Court of India [Ref. note no. 43(c) to FY14 financial statements]; the Honourable High Court of Karnataka has restrained the Company from disposing of any of its assets [Ref. note no. 44(d) to FY14 financial statements];, the Company is a defendant in recovery suits instituted by certain creditors/lenders for recovery of their dues of Rs. 64,933 million; [Ref. note no. 43 to FY14 financial statements], some of the lenders have recovered their dues by disposing of the company's pledged securities.[Ref. note no. 39 to FY14 financial statements]. Yet, the company has prepared its financial statements on going concern basis for the reasons stated in note no. 44 to FY14 financial statements. The appropriateness of preparation of financial statements on going concern basis is subject to the Company being able to successfully defend itself in the petitions/suits filed against it and obtaining substantial reliefs in the suits filed by it as mentioned in note no. 43 to FY14 financial statements.*

e) *The Company has not recognised in its consolidated financial statements, liabilities amounting to Rs. 80,208 million arising out of invocation of its corporate guarantees [Ref. note no. 50 to FY14 financial statements] and claims of Rs. 1,463 million made against it under an agreement entered into with a banker [Ref. note no. 50 to FY14 financial statements]. Had the company recognised the above, current liabilities in the Consolidated Balance Sheet would have been higher by that amounts and guarantee under contingent liabilities and claims not acknowledged as debt would have been lower by Rs. 80,208 million and Rs. 1,463 million, respectively."*

3. *The management's response to above qualifications by the statutory auditor is as follows:*

   i. *"The Company considers its investment in Kingfisher Airlines Limited and other subsidiaries and associates as long term and strategic in nature and the diminution in value is temporary. Accordingly, it is of view that provision for decline in value is not presently warranted.*

   ii. *Also the ultimate non-recovery of loans and advances to the Company's subsidiaries and associates are presently not quantifiable, and hence no provision has been considered in accounts. The Company's exposure on account of corporate guarantees have been contested in various courts and tribunals and the management is reasonably confident that no amount will devolve upon the Company*

   iii. *The Company has filed suit for damages against some of the Petitioners in the City Court, Bangalore which is pending adjudication. The Company is making an application to the Court seeking approval for leasing vacant space in UB city and for the sale of its share of apartment units in Kingfisher Towers. The Company has preferred an appeal before the Hon'ble DRAT challenging the DRT dismissal order and the same is pending adjudication. The management has obtained legal advice that the company has a potential claim against lenders for recovery of sale proceeds of the pledged securities. The Company has substantial assets to monetize in case of necessity. Having regard to all the above facts, the financial statements for the year ended March 31, 2014 have been presented on principles applicable to Going concern.*

   iv. *The liabilities arising out of invocation of corporate guarantees is being contested by the Company in various courts nd hence the Company continues to recognize these obligations as only 'contingent liabilities'. The Company has obtained legal advice that the claim by a Bank is not enforceable and accordingly the amount is presently shown as 'claims against the Company not acknowledged as debt"*

4. *The audited financials of PAC 2 for the financial years ended March 31, 2014, March 31, 2013 and March 31, 2012 are available for inspection by the Shareholders at the registered offices of the Managers to the Offer.*

3.36 As on March 31, 2014, PAC 2 has the following contingent liabilities on a consolidated basis:

Particulars	**INR In Crores**
Guarantees given (the enforceability of the guarantee issued for Kingfisher Airlines Limited beneficiaries are being contested in appropriate Courts of Law)	8,828.08
Claims against the parent Company and its subsidiaries, not acknowledged as debts	0.10
Demands raised by Income Tax Authorities against which the subsidiaries has preferred appeals	0.55
Demand raised by Income Tax authorities against which the parent Company has preferred appeals	78.68

Demands raised against subsidiary by Service Tax Authorities against which the subsidiary has preferred appeals	1.08
Claim against the parent company not acknowledged as debt	146.29

3.37 The equity shares of PAC 2 are listed on BSE (Scrip ID: UBHOLDING, Scrip Code: 507458), NSE (Symbol: UBHOLDINGS, ISIN: INE696A01025) and BgSE. The closing price of the equity shares of the PAC 2 as quoted on the BSE on September 19, 2014 is Rs. 26.80 and on NSE on September 19, 2014 is Rs. 26.75. The closing price of the equity shares on the BgSE on September 19, 2014 is not available.

3.38 Except as disclosed below, PAC 2 has complied with all the provisions of the listing agreements of the BSE, the NSE and the BgSE relating to corporate governance:

- The certificate as required to be obtained from CEO/CFO to the Board of PAC 2 pursuant to Clause 49(v) of the Listing Agreements has been obtained from the Chairman of the Board, since presently PAC 2 does not have a CEO/CFO.
- PAC 2 was not in compliance with Clause 49(1A) of the listing agreement as it did not have the requisite number of independent directors on its Board with effect from June 1, 2013. However, the condition with regard to the requisite number of independent director has since been complied as on date of the Letter of Offer.

3.39 Details of the compliance officer of the PAC 2 are as follows:

Mr. Kaushik Majumder
Contact address: UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore 560001
Tel : 080-39856079
Fax: 080-22274890
Email id : kmajumder@ubmail.com

D. Kingfisher Finvest India Limited

3.40 PAC 3 is a public limited company, incorporated on August 20, 1999 as 'Variegate Trading Private Limited' in Mumbai, Maharashtra under the Companies Act, 1956, as amended which became a deemed public limited company under section 43A of the Companies Act, 1956, as amended, on October 4, 1999 and, its name was changed to 'Variegate Trading Limited'. Subsequently, the name was changed to 'Kingfisher Radio Limited' on November 09, 2005 and then to 'Kingfisher Finvest India Limited' on June 19, 2008. Also, in 2008, the registered office was changed from Mumbai to Bangalore.

3.41 PAC 3, part of UB Group, is engaged in the business to buy, sell underwrite, invest in, and acquire, hold and dispose of shares, debentures, debentures stock, bonds, obligations, and securities issued or guaranteed by the Central or State Government or any Company, anywhere in India, and to deal with any such business in any manner. PAC 3 is controlled by PAC 2.

3.42 PAC 3 is registered with the Registrar of Companies, Bangalore, Karnataka, bearing CIN - U51900KA1999PLC048529. The registered office of PAC 3 is situated at UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore - 560 001, Tel: 080 39856079, Fax: 080 22274890.

3.43 PAC 3 is a wholly-owned subsidiary of PAC 2. The issued and paid up share capital of PAC 3 is INR 1,05,00,000 comprising of 50,000 equity shares of INR 10 each and 1,00,00,000 0% redeemable optionally convertible preference shares of INR 1 each. The equity shares of PAC 3 are not listed on any stock exchange. The shareholding pattern of the PAC 3 as on the date of this LoF is as follows:

Sr. No.	Shareholder's Category	No. of equity and preference shares held	Percentage of equity shares and preference held
1	Promoters	1,00,50,000	100.00%
2	FII/ Mutual-Funds/ FIs / Banks	-	-
3	Public	-	-
	Total	**1,00,50,000**	**100.00%**

3.44 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of PAC 3, are as follows:

Sr. No.	Name of Director, DIN and Designation	Experience	Qualification	Date of Appointment
1.	Mr. Subramoni Patanjali DIN: 00167863 Designation: Additional Director	Mr. Subramoni Patanjali is a fellow member of the Institute of Company Secretaries of India. Mr. Subramoni Patanjali was working as a senior executive in the Amalgamation Group. He joined the UB Group in the year 1990 and was overseeing the legal and statutory matters of United Breweries (Holdings) Limited.	B.Com; F.C.S.	May 08, 2014
2.	Mr. Kaushik Majumder DIN: 01990692 Designation: Director	Mr. Kaushik Majumder has over 25 years of experience in legal and secretarial matters. He also holds directorships in other UB Group Companies.	M.Com; FCS	February 02, 2008
3.	Mr. Ajay Kumar Vijay DIN: 02599167 Designation: Director	Mr. Ajay Kumar Vijay has over 24 years of experience in finance and taxation. He joined the UB Group in 1994.	B.Com, Chartered Accountant	July 03, 2013

There are no directors representing PAC 3 on the Board of Directors of the Target Company.

3.45 As on the date of this Letter of Offer, PAC 3 holds 23,80,000 Equity Shares representing 2.01% of the Voting Share capital of the Target Company. Except for the Equity Shares held in the Target Company, PAC 3, its directors and its key managerial employees have no other interest in the Target Company.

3.46 PAC 3 has complied with the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, and the provisions with regard to disclosures under Chapter V of the SEBI (SAST) Regulations during the past 10 years.

3.47 As on the date of this LoF, PAC 3 has not acquired any Equity Shares of the Target Company post the date of the PA.

3.48 The key financial information of PAC 3 is as follows:

All figures in INR crores

Profit & Loss Statement	Year ended March 31,	Year ended March 31,	Year ended March 31,

	2014 (Audited)	2013 (Audited)	2012 (Audited)
Net Income from Operations	29.10	4.21	6.07
Other Income	-	-	-
Total Income	**29.10**	4.21	6.07
Total Expenditure	**36.14**	**0.27**	**42.54**
Profit/(Loss) before Depreciation, Interest & Tax	**(7.04)**	**3.94**	**(36.48)**
Interest & Bank Charges	22.96	47.53	42.28
Depreciation	-	-	-
Exceptional Item (Net)	98.06	-	-
Profit/ (Loss) Before Tax	**68.07**	**(43.59)**	**(78.76)**
Tax	16.08	-	-
Profit/ (Loss) After Tax	**51.99**	**(43.59)**	**(78.76)**

All figures in INR crores

Balance Sheet	**Year ended March 31, 2014 (Audited)**	**Year ended March 31, 2013 (Audited)**	**Year ended March 31, 2012 (Audited)**
Sources of Funds			
Paid up Share Capital	1.05	1.05	1.05
Reserves & Surplus (excluding Revaluation Reserves)	(87.41)	(139.39)	(95.81)
Net worth	**(86.36)**	**(138.34)**	**(94.76)**
Secured Loans	37.50	290	285.62
Unsecured Loans	213.18	897.81	857.39
Total	**164.32**	**1,049.46**	**1,048.25**
Uses of funds			
Net fixed assets	-	-	-
Investments	48.51	1,046.75	1,043.33
Net current assets	115.81	2.72	4.92
Total miscellaneous expenditure not written off	-	-	-
Total	**164.32**	**1,049.46**	**1,048.25**

(In INR, except percentages)

Other Financial Data	**Year ended March 31, 2014 (Audited)**	**Year ended March 31, 2013 (Audited)**	**Year ended March 31, 2012 (Audited)**
Dividend (%)	-	-	-
Earnings Per Share (EPS) - Basic and Diluted	10,397	(8,717)	(15,751)

Notes:

1. *The financial information set forth above has been extracted from the audited financial statements of PAC 3 as at and for the financial years ended March 31, 2014, March 31, 2013 and March 31, 2012*
2. *The audited financials of PAC 3 for the financial years ended March 31, 2014, March 31, 2013 and March 31, 2012 are available for inspection by the Shareholders at the registered offices of the Managers to the Offer.*

3.49 As on March 31, 2014, PAC 3 has the following contingent liabilities:

- Guarantee given on behalf of PAC 2 amounting to INR 39.02 crores

E. McDowell Holdings Limited ("PAC 4")

3.50 PAC 4, a public limited company, was incorporated as 'United Golden Beverages Limited' on March 1, 2004 in Bangalore under the Companies Act, 1956, as amended. The name was changed to 'McDowell India Spirits Limited' on March 31, 2004. Subsequently, pursuant to the composite scheme of arrangement the investment business of McDowell & Company Limited was demerged into McDowell India Spirits Limited and its name was changed to McDowell Holdings Limited on October 17, 2006 and consequently it was listed on the Stock Exchanges on May 30, 2007.

3.51 PAC 4, part of the UB Group, is an investment holding company, operating in two segments: Investment and Financial Services. PAC 4 is promoted by PAC 2, PAC 3, Mallya Private Limited and Dr. Vijay Mallya.

3.52 PAC 4 is registered with the Registrar of Companies, Bangalore, Karnataka, bearing CIN - L05190KA2004PLC033485. The registered office of PAC 4 is situated at UB Tower, Level 12, UB City, #24, Vittal Mallya Road, Bangalore - 560 001, Tel: 080-39856620, Fax: 080-22274890

3.53 The equity shares of PAC 4 are listed on BSE (Scrip ID: MCDHOLDIN, Scrip Code: 532852), NSE (Symbol: MCDHOLDING, ISIN: INE836H01014) and BgSE. The issued and paid up share capital of PAC 4 is INR 13,99,22,580 comprising of 1,39,92,258 equity shares of INR 10 each. The brief shareholding pattern of PAC 4 as on September 12, 2014 is provided below:

Sr. No.	Shareholder's Category	No. of equity shares held	Percentage of equity shares held
1	Promoters and Promoter Group	25,17,392	17.99%
2	FII/ Mutual-Funds/ FIs / Banks/ Central and State Government	55,92,058	39.97%
3	Public	58,82,808	42.04%
	Total Paid Up Capital	1,39,92,258	100.00%
Public Shareholders holding more than 5%			
1	Barca Global Master Fund LP	13,41,909	9.59%
2	SBI Emerging Businesses Fund	12,87,340	9.20%
3	Acacia Partners LP	7,76,269	5.55%

3.54 The equity shares of the PAC 4 are listed on the BSE, NSE and the BgSE. The closing price of the equity shares of the PAC 4 as quoted on the BSE on September 19, 2014 is Rs. 36.50 and on NSE on September 19, 2014 is Rs. 36.65. The closing price of the equity shares on the BgSE on September 19, 2014 is not available.

3.55 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of PAC 4, are as follows:

Sr. No.	Name of Director, DIN and Designation	Experience	Qualification	Date of Appointment
1.	Mr. N. Srinivasan, DIN: 00004195 Designation: Chairman (Non-Executive Independent Director)	Mr. N. Srinivasan has over 50 years of experience in the field of finance, accounts and audit. He served as a senior partner of Fraser & Ross, Deloitte Haskins & Sells, Chennai.	B.Com., Chartered Accountant	November 06, 2006
2.	Mr. M. Srinivasulu Reddy, DIN: 00035021	Mr. M Sreenivasulu Reddy is the Chairman of Balaji Group of Industries having its corporate office in Chennai. Its business verticals consist of	B.Com	July 16, 2014

	Designation: Non-Executive Independent Director	steel manufacturing, distilleries, entertainment, packaging, spirits, real estate, services and energy. The group has pan India operations with business units located in several states of India. Mr. Reddy was also a Member of Parliament (Lok Sabha) from 1998 to 2014.		
3.	Mr. Anil Pisharody, DIN: 02500666 Designation: Non-Executive Director	Mr. Anil Pisharody has been associated with the UB Group since 1989 and possesses vast experience in different areas ranging from finance, administration and management.	B.Com., Chartered Accountant	July 16, 2014

There are no directors representing PAC 4 on the Board of Directors of the Target Company. However, Mr. M. Srinivasulu Reddy, who has been appointed as an additional director by the board of directors of PAC 4, has recently been appointed as an independent director by the board of directors of the Target Company pursuant to a resolution dated August 07, 2014 and the same is subject to the approval of the shareholders of the Target Company. He shall not participate in any deliberations of the Board of Directors of the Target Company, or vote on any matter in relation to the Offer.

3.56 As on the date of this Letter of Offer, PAC 4 holds 58,26,828 Shares of the Target Company, representing 4.92% of the Voting Share capital of the Target Company. Except for the common directorship of Mr. M. Srinivasulu Reddy and the Equity Shares held in the Target Company, PAC 4, its directors and its key managerial employees have no other interest in the Target Company.

- It may be noted that PAC 4 has sought its shareholders consent by way of postal ballot to enter into a contract/arrangement with the Target Company in respect of sale and supply of raw materials by PAC 4 to the Target Company for an estimated amount of up to INR 50 Crores every financial year on such terms and conditions as may be mutually agreed upon between the PAC 4 and the Target Company. The result of the postal ballot is expected to be announced on October 20, 2014

3.57 PAC 4 has complied with the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, and the provisions with regard to disclosures under Chapter V of the SEBI (SAST) Regulations during the past 10 years.

3.58 As on the date of this LoF, PAC 4 has not acquired any Equity Shares of the Target Company post the date of the PA.

3.59 The key financial information of PAC 4 is as follows:

All figures in INR crores

Profit & Loss Statement	**Year ended March 31, 2014 (Audited)**	**Year ended March 31, 2013 (Audited)**	**Year ended March 31, 2012 (Audited)**
Income from Operations	12.86	11.25	3.31
Other Income	0	-	-
Total Income	**12.86**	**11.25**	**3.31**
Total Expenditure	**21.22**	**0.72**	**0.54**

Profit/(Loss) before Depreciation, Interest & Tax	**(8.36)**	**10.53**	**2.77**
Interest	12.48	6.36	1.13
Depreciation	-	-	-
Profit/ (Loss) Before Tax	**(20.83)**	**4.17**	**1.64**
Tax	-	0.54	0.12
Profit/ (Loss) After Tax	**(20.83)**	**3.63**	**1.52**

All figures in INR crores

Balance Sheet	**Year ended March 31, 2014 (Audited)**	**Year ended March 31, 2013 (Audited)**	**Year ended March 31, 2012 (Audited)**
Sources of Funds			
Paid up Share Capital	13.99	13.99	13.38
Reserves & Surplus (excluding Revaluation Reserves)	33.88	54.71	48.72
Net worth	**47.87**	**68.71**	**62.10**
Secured Loans	50.00	50.00	-
Unsecured Loans	20.00	20.00	20.00
Total	**117.87**	**138.71**	**82.10**
Uses of funds			
Net fixed assets	-	-	-
Investments	62.60	62.60	63.21
Net current assets	55.27	76.10	18.89
Total miscellaneous expenditure not written off	-	-	-
Total	**117.87**	**138.71**	**82.10**

(In INR, except percentages)

Other Financial Data	**Year ended March 31, 2014 (Audited)**	**Year ended March 31, 2013 (Audited)**	**Year ended March 31, 2012 (Audited)**
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (EPS) – Basic	(14.89)	2.6	1.15
Earnings Per Share (EPS) – Diluted	(14.89)	2.6	1.10

Notes:

1. *The qualifications by the statutory auditor in the audit report for the period ended March 31, 2014 are as follows:*
   - *"A beneficiary of the company's corporate guarantee and pledge of shares who had extended loans to certain group companies has demanded repayment of such loans amounting to Rs. 337.52 crores for defaults by the borrowers and has invoked the guarantee and exercised the pledge provided by the company. The borrowers are in negotiation with the lender for restoration of the credit facility and on that basis the company continues to disclose its exposure as contingent liability. The appropriateness of such disclosure instead of recognizing it in the accounts would depend upon the lender restoring the facilities that have been withdrawn. (Ref note no. 3.18 to FY14 financial statements)*
   - *The company has prepared its financial statements on "Going Concern" basis for the reasons mentioned in note no. 3.19 to FY14 financial statements. The appropriateness of such basis would depend upon the lender agreeing to restore the credit facilities (as mentioned in note 3.18 to FY14 financial statements) and granting sufficient time to the borrowers for repayment of the dues*
   - *The company has treated a sum of Rs. 50.88 crores due from one of the group company which is a defendant in several litigations, including winding up petitions, as good and recoverable (Ref note no.3.20 to FY14 financial statements). The appropriateness of such treatment would depend upon such group company being able to defend the litigations and the winding up petitions successfully."*
2. *The management's response to above qualifications by the statutory auditor is as follows:*
   - *"The Company has treated the amount due from the group company as good and recoverable on the assumption*

that the litigation against the borrower would be resolved in favour of the borrower. The Company has prepared its financial statements on a 'going concern' basis, having regard to the on-going negotiation with the lender (beneficiary) to restore the facility made available to the defaulting borrowers and the fact that no adverse action has been taken against the Company."

3.60 As on March 31, 2014, PAC 4 has the following contingent liabilities:

- Guarantee given on behalf of other body corporate amounting to INR 228.34 Crore
- Obligation of third parties secured by pledge of its shares by the Company - INR 109.18 Crore

3.61 Except as disclosed below, PAC 4 has complied with all the provisions of the listing agreements of the BSE, the NSE and the BgSE relating to corporate governance.

- The certificate as required to be obtained from CEO/CFO to the Board of PAC 4 pursuant to Clause 49(v) of the Listing Agreements has been obtained from the Chairman of the Board, since presently PAC 4 does not have a CEO/CFO.
- PAC 4 was not in compliance of Clause 49(1A) (Composition of Board), Clause 49(IIA) (Qualified & Independent Audit Committee) and Clause 49(IIB) (Meeting of Audit Committee). However, as on date, PAC 4 has complied with the aforesaid clauses of the listing agreement.

3.62 Details of the compliance officer of the PAC 4 are as follows:

Ritesh Shah
Contact Address: UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore – 560 001
Tel no.: 080 – 3985 6080
Fax No.: 080 – 2227 4890
E-mail id: riteshshah@ubmail.com

3.63 As directed by SEBI, disclosures related to status of action taken and proceeding initiated by banks declaring Kingfisher Airlines Ltd. ("Kingfisher Airlines"), its directors, Dr. Vijay Mallya and other entities associated with UB Group as willful defaulter as on date are provided below:

1. Corporation Bank

On December 14, 2013, Corporation Bank issued show cause notices to Kingfisher Airlines, PAC 2, Dr. Vijay Mallya, Mr. S. R. Gupte, M S Kapur and another, asking why they should not be classified as wilful defaulters. The recipients of the said notices submitted their respective representations to Corporation Bank. Thereafter, the recipients, represented by advocates of their choice attended a hearing before the grievance redressal committee constituted by Corporation Bank held on March 26, 2014 at the head office of Corporation Bank in Mangalore. No decision has been communicated by Corporation Bank pursuant to the said hearing.

2. Punjab National Bank

On August 07, 2013, Punjab National Bank addressed a show cause notice to Kingfisher Airlines asking why they should not be classified as a wilful defaulter. The notice was addressed to PAC 2 and Dr. Vijay Mallya for information only. Kingfisher Airlines submitted its representations to the said notice by its letter dated September 04, 2013. On November 22, 2013, Punjab National Bank addressed a letter to Kingfisher Airlines calling upon it to present its case before the grievance redressal committee constituted by it. The said notice for the first time sought to classify PAC 2 and Dr. Vijay Mallya as wilful defaulters and PAC 2 and Dr. Vijay Mallya submitted their representations to Punjab National Bank by their letters dated December 09, 2013 and December

10, 2013 respectively. In the meantime, the advocates for Kingfisher Airlines along with its representatives appeared before the grievance redressal committee constituted by Punjab National Bank on December 02, 2013 at which hearing, the advocates were refused permission to attend the hearing and only the representative of Kingfisher Airlines was permitted to attend. By its notice dated August 21, 2014, Punjab National Bank, *inter alia*, recorded that it was justified in refusing the request of Kingfisher Airlines to be represented by advocates of its choice and raised fresh allegations. Kingfisher Airlines filed a writ petition in the Hon'ble Delhi High Court being Writ Petition (Civil) No.5532 of 2014 against, *inter alia*, the said notice dated August 21, 2014. By its order dated August 28, 2014, the Hon'ble Delhi High Court allowed Kingfisher Airlines to be represented by advocates of its choice at a hearing before the grievance redressal committee and directed Punjab National Bank to submit all documentary and requisite evidence in support of its alleged decision to classify Kingfisher Airlines as a wilful defaulter. The order also directed Punjab National Bank to hold a hearing before the grievance redressal committee on September 22, 2014. On September 19, 2014, the Division Bench of the Hon’ble Delhi High Court has passed an order granting a stay of the hearing before the grievance redressal committee constituted by Punjab National Bank until further orders in the appeal. Punjab National Bank has filed an appeal against the order dated August 28, 2014, being LPA 589 of 2014. The said appeal is pending.

3. United Bank of India

On May 28, 2014, United Bank of India addressed a show cause notice to Kingfisher Airlines, Dr. Vijay Mallya, Mr. S. R. Gupte and others asking why they should not be classified as wilful defaulters. Kingfisher Airlines, Dr. Vijay Mallya, Mr. S. R. Gupte and others submitted their representations to the said notice being their letters dated July 10, 2014, July 10, 2014 and July 11, 2014 respectively. In the said letters, Kingfisher Airlines, Dr. Vijay Mallya and Mr. S. R. Gupte requested to be represented by advocates of their choice at the hearing before the grievance redressal committee constituted by United Bank of India. Pursuant to the denials of requests to be represented by advocates of their choice, Kingfisher Airlines filed a writ petition in the Calcutta High Court, being Writ Petition (C) No. 19247 of 2014. By its order dated July 10, 2014, the Single Judge of the Calcutta High Court dismissed the said writ petition. Immediately thereafter, Kingfisher Airlines filed an appeal before the Division Bench of the Calcutta High Court, being AST No. 320 of 2014. Pursuant to the dismissal of its appeal by the Calcutta High Court by an order dated August 28, 2014, Kingfisher Airlines filed a Special Leave Petition in the Supreme Court of India, being SLP No. 14755 of 2014 on August 29, 2014. In the meantime, without a copy of the order dated August 28, 2014 being made available to either Kingfisher Airlines or United Bank of India, United Bank of India issued a notice dated August 29, 2014 calling upon Kingfisher Airlines, Dr. Vijay Mallya, Mr. S. R. Gupte and another to attend a hearing before the grievance redressal committee on September 01, 2014 at 10:30 am. Thereafter, the advocates of Kingfisher Airlines through its Advocates, addressed two letters dated August 29, 2014 and August 30, 2014 informing United Bank of India that it had filed the said Special Leave Petition in the Supreme Court and not to take any action and defer the hearing till the disposal of the application for interim relief in the said Special Leave Petition. Nevertheless, despite the pending Special Leave Petition, on September 01, 2014, United Bank of India proceeded to declare Kingfisher Airlines, Dr. Vijay Mallya, Mr. S. R. Gupte and another director as wilful defaulters. On September 02, 2014, when the matter was mentioned before the Supreme Court, the Supreme Court held that in view of the decision of the United Bank of India, the Special Leave Petition had become infructuous. Kingfisher Airlines, Dr. Vijay Mallya, Mr. S. R. Gupte and others are pursuing appropriate remedies in law against the said decision of United Bank of India.

4. State Bank of India

State Bank of India has addressed letters dated August 19, 2014 to Kingfisher Airlines, PAC 2, Dr. Vijay Mallya, Mr. S. R. Gupte, Mr. Sidhartha V Mallya, Mr. M S Kapur and others asking as to why they should not be classified as wilful defaulters. By its letter dated September 01, 2014, Kingfisher Airlines has called upon State Bank of India to disclose any and all documents, material, details, reports, comparative studies, invoices, remittances, statements of assets and liabilities, statements of accounts, powers of attorney, analyses etc. that may have been referred to or relied upon by the appropriate committee in State Bank of India and requested State Bank of India to confirm that the recipients of the notice will have at least 15 (fifteen) clear days after receipt of the documents, details and particulars to make its representations. In the absence of a response from State Bank of India to the letter dated September 01, 2014 and despite failure on the part of State Bank of India to disclose of the documents etc. since the 15 (fifteen) day period for which Kingfisher Airlines and the other recipients to the notice were to submit their representations was coming to an end, on September 05, 2014, Kingfisher Airlines, PAC 2, Dr. Vijay Mallya, Mr. S. R. Gupte, Mr. Sidhartha V Mallya, Mr. M S Kapur and each of the other recipients to the notice submitted their preliminary representations. On September 09, 2014, Kingfisher Airlines filed a writ petition in the Hon'ble Bombay High Court being Writ Petition No. 2112 of 2014, *inter alia*, against State Bank of India praying inter alia, for an appropriate writ, order or direction of the Hon'ble Bombay High Court directing the State Bank of India to forthwith rescind and/or cancel and/or withdraw the notice dated August 19, 2014. On September 18, 2014, the Division Bench of the Hon'ble Bombay High Court directed State Bank of India to file an affidavit in reply within a period of one week. The said Writ Petition is pending.

5. IDBI Bank

IDBI Bank has addressed a show cause notice dated August 20, 2014 to Kingfisher Airlines, Dr. Vijay Mallya, Mr. S. R. Gupte, Mr. M S Kapur and others asking as to why they should not be classify them as wilful defaulters. The said notices were received by the recipients on August 27, 2014. Kingfisher Airlines has addressed a letter dated September 03, 2014 to IDBI Bank calling upon it to disclose any and all documents/information/evidence that may have been referred to or relied upon by the appropriate committee in IDBI Bank and requested IDBI Bank to confirm that the recipients of the notice will have at least 15 (fifteen) clear days after receipt of the documents, details and particulars to make its representations. In the meantime, the media reported statements attributed to IDBI Bank prompting Kingfisher Airlines to address another letter dated September 10, 2014 to IDBI Bank calling upon them to confirm that they would disclose all documents etc. Till date no response has yet been received.

6. Federal Bank

Federal Bank has addressed a show cause notice dated September 03, 2014 to Kingfisher Airlines, Dr. Vijay Mallya, PAC 2, Mr. S.R. Gupte, Mr. M S Kapur and others asking as to why they should not be to report the names of the addressees to the notice to the RBI/Credit Information Bureau (India) Limited as wilful defaulters. The said notices were received by the recipients on September 05, 2014. Kingfisher Airlines has addressed a letter dated September 08, 2014 to Federal Bank calling upon it to disclose any and all documents/information/evidence that may have been referred to or relied upon by the appropriate committee in Federal Bank and requested Federal Bank to confirm that the recipients of the notice will have at least 15 (fifteen) clear days after receipt of the documents, details and particulars to make its representations. Till date no response has yet been received.

In addition to the aforesaid, the following proceedings have been initiated by / against the above 6 (six) banks against / by Kingfisher Airlines and / or Dr. Vijay Mallya and / or PAC 2, *inter-alia*:

1. The consortium of banks including the above 6 (six) banks have filed recovery proceedings against, inter alia, Kingfisher Airlines and Dr. Vijay Mallya in the debt recovery tribunal, Bangalore ("DRT"), being O.A. No. 766 of 2013. The said proceedings are pending. During the

pendency of the said proceedings, Kingfisher Airlines and Dr. Vijay Mallya filed applications under section 22(h) of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 ("DRT Act") challenging the jurisdiction of the DRT to proceed against them, which applications have been dismissed and pursuant to which, appeals have been filed before the debt recovery appellate tribunal, Chennai. The said appeals are pending.

2. A separate recovery proceeding has been filed, inter alia, by United Bank of India, Oriental Bank of Commerce and Corporation Bank in the DRT, Bangalore, being O.A. No. 158 of 2014 against, inter alia, Kingfisher Airlines in respect of certain pre delivery payments allegedly due to them. The said O.A. No. 158 of 2014 is pending.

3. The consortium of banks including the above 6 (six) banks have filed a company petition in the Hon'ble Karnataka High Court, being Company Petition No. 164 of 2014 seeking winding up of Kingfisher Airlines. The said winding up petition has been admitted by the Hon'ble Karnataka High Court by an order dated January 17, 2014 and the appeal filed by Kingfisher Airlines against the said order dated January 17, 2014 has been dismissed by the Division Bench of the Karnataka High Court by an order dated July 10, 2014 Kingfisher Airlines is pursuing appropriate remedies in law against the said order dated July 10, 2014 passed by the Division Bench of the Karnataka High Court. PAC 2 and Dr. Vijay Mallya, inter alia, have filed a substantive suit in the Hon'ble Bombay High Court being Suit No. 311 of 2013, inter alia, seeking declarations to the effect that the corporate guarantee dated December 21, 2010 issued by PAC 2 and the personal guarantee dated December 21, 2010 issued by Dr. Vijay Mallya are both ab-initio null and void and non-est. The said suit is pending.

4. The consortium of banks including the above 6 (six) banks have also filed a suit in the City Civil Court at Bangalore, being O.S. No. 25877 of 2013 against, inter alia, Kingfisher Airlines in respect of a purported release of residual interest agreement dated December 21, 2010 between inter alia, PAC 2 and SBICAP Trustee Company Limited, the security trustee appointed by the consortium of banks. The said suit is pending.

Relationship between the Acquirer and PAC:

The Acquirer has provided 2 (two) inter corporate deposits of INR 10,00,00,000 each (Rupees Ten crores) to PAC 4 on January 21, 2012 and February 8, 2012, respectively. Other than the aforesaid inter corporate deposits and the relationship established by the Agreement, the Acquirer and PAC 1 has no other relationship with PAC 2, PAC 3 and PAC 4. The Acquirer is a wholly-owned subsidiary of PAC 1. PAC 3 is a wholly-owned subsidiary of PAC 2. PAC 2 and PAC 3 are part of the promoter group of PAC 4.

4. BACKGROUND OF THE TARGET COMPANY

4.1 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.

4.2 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. The Target Company is a part of the UB Group

4.3 The Target Company is engaged in the manufacture 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.

4.4 The equity share capital structure of the Target Company is set forth below:

Particulars	Issued and paid up capital	Percentage of Voting Share Capital
Fully paid up Equity Shares as of the PA date	11,85,15,150	100.0
Partly paid up Equity Shares as of the PA date	Nil	Nil
Total paid up Equity Shares as of the PA date	11,85,15,150	100.0
Voting Share Capital	**11,85,15,150**	**100.0**

4.5 All the Equity Shares are listed on BSE (Scrip ID: MANGCHEM, Scrip Code: 530011), NSE (Symbol: MANGCHEFER, ISIN: INE558B01017), and BgSE, and are not currently suspended from trading on any of the Stock Exchanges. The Equity Shares of the Target Company are frequently traded on BSE and NSE and are infrequently traded on BgSE within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

4.6 As on the date of this LoF, there are currently no outstanding partly paid up equity shares or any other instruments convertible into Equity Shares of the Target Company at a future date.

4.7 The details of the board of directors of the Target Company are provided below:

Name of the 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 31, 2002	Independent Director
Mr. K Prabhakar Rao	October 27, 2006	Whole-time Director
Mr. Srinivasulu Reddy*	August 07, 2014	Independent Director

** * Mr. Srinivasulu Reddy has been appointed as an independent director on the board of directors of the Target Company. The appointment of Mr. Srinivasulu Reddy has been approved by the board of directors of the Target Company pursuant to a resolution dated August 07, 2014 and is subject to the approval of the shareholders of the Target Company by way of postal ballot resolution. The result of the postal ballot resolution is expected to be announced on October 06, 2014. Mr. Srinivasulu Reddy has been appointed to fill in the casual vacancy caused by the demise of Mr. N Sunder Rajan, Independent Director pursuant to Regulation 24(3) of SEBI (SAST) Regulations.*

SEBI has directed to disclose that continuation of Dr. Vijay Mallya and Mr. S.R. Gupte on the Board of the Target Company would be subject to the proceedings initiated against them. For details of the proceedings, please refer to paragraph 3.63 above.

UB Group's perception on the above: The declaration of Kingfisher Airlines Limited, Dr. Vijay Mallya and Mr. S.R. Gupte as wilful defaulters by United Bank of India is subject to the final outcome of the legal proceedings in this matter. A Division Bench of the Hon'ble Gujarat High Court in its judgment dated September 09, 2014 in the matter of Ionic Metalliks and others v. Union of India and Others (special civil application number 645 of 2014 and 10120 of 2014) has recently held the RBI Master Circular on Wilful Defaulters to be void to the extent of its application to directors of a borrower company other than the promoter / entrepreneur.

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

Other than the aforesaid scheme of amalgamation, the Target Company has not been involved in any merger, de-merger, spin-off or hiving off during the last 3 (three) years.

4.9 Brief audited financials of the Target Company as of and for the financial years ended March 31, 2014, 2013 and 2012 are provided below:

All figures in INR crores

Profit & Loss Statement	**Financial Year Ended March 31,**		
	2014	**2013**	**2012**
Income from Operations	3,310.26	2,779.59	3,707.18
Other Income	4.54	10.45	12.95
Total Income	**3,314.81**	**2,790.04**	**3,720.13**
Total Expenditure	**3,090.05**	**2,604.81**	**3,511.40**
Profit/(Loss) before Depreciation, Interest & Tax	**224.76**	**185.22**	**208.74**
Interest & Bank Charges	102.45	86.97	29.11
Depreciation	28.76	29.01	77.16
Profit/ (Loss) Before Tax	**93.55**	**69.24**	**102.47**
Tax	22.62	2.67	33.37
Profit/ (Loss) After Tax	**70.93**	**66.57**	**69.10**

All figures in INR crores

Balance Sheet	**As on March 31,**		
	2014	**2013**	**2012**
Sources of Funds			
Paid up Share Capital	118.55	118.55	118.55
Reserves & Surplus (excluding Revaluation Reserves)	437.23	382.94	333.01
Amount received against Conversion of Warrants	-	-	-
Net worth	**555.78**	**501.49**	**451.55**
Secured Loans	1,434.29	1,142.09	1,181.67
Unsecured Loans	87.38	87.38	142.38
Other non-current liabilities	129.66	85.23	77.22
Total	**2,207.11**	**1,816.19**	**1,852.82**
Uses of funds			
Net fixed assets (excluding Revaluation Reserves)	545.87	403.59	407.95
Investments	200.00	200.00	-
Net current assets	1,386.28	1,183.42	1,265.16
Other non-current assets	74.96	29.17	179.71
Total miscellaneous expenditure not written off	-	-	-
Total	**2,207.11**	**1,816.19**	**1,852.82**

(In INR, except percentages)

Other Financial Data	**Financial Year Ended March 31,**		
	2014	**2013**	**2012**
Dividend (%)	12%	12%	12%
Earnings Per Share (EPS) - Basic and Diluted	5.99	5.62	5.83
Return on Net worth (%)	12.76%	13.27%	15.30%
Book Value per share	46.90	42.31	38.10

4.10 The shareholding pattern of the Target Company before and after this Offer (considering shareholding information as on September 12, 2014) is as follows:

(All % figures given below are calculated on the Voting Share Capital)

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and Offer.		Shares /voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Offer (Assuming full acceptance)		Shareholding / voting rights after the acquisition and offer.	
	(A)		(B)		(C)		(A)+(B)+(C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group								
a. Parties to agreement, if any	2,60,42,896	21.97	Nil	Nil	Nil	Nil	2,60,42,896	21.97
b. Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 1 (a+b)	**2,60,42,896**	**21.97**	**Nil**	**Nil**	**Nil**	**Nil**	**2,60,42,896**	**21.97**
(2) Acquirers								
a. Main Acquirer	1,94,71,787	16.43	Nil	Nil	3,08,13,939	26.00	5,02,85,726	42.43
b. PACs *	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 2 (a+b)	**1,94,71,787**	**16.43**	**Nil**	**Nil**	**3,08,13,939**	**26.00**	**5,02,85,726**	**42.43**
Promoter Group and Acquirers (1+2) (Acquirer and PAC)	**4,55,14,683**	**38.40**	**Nil**	**Nil**	**3,08,13,939**	**26.00**	**7,63,28,622**	**64.40**
(3) Parties to agreement other than(1) (a) & (2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
(4) Public (other than parties to agreement, acquirers & PACs)								
a. FIs/MFs/FIIs/Banks, SFIs	8,67,371	0.73	Nil	Nil	This will depend on the response from and within each category of (4)			
b. Others	7,21,33,096	60.86	Nil	Nil				
Total (4)(a+b)	**7,30,00,467**	**61.60**	**Nil**	**Nil**	**(3,08,13,939)**	**(26.00)**	**4,21,86,528**	**35.60**
GRAND TOTAL (1+2+3+4)	**11,85,15,150**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**11,85,15,150**	**100.00**

** Shareholding of PAC 2, PAC 3 and PAC 4 is included under the heading Promoter Group*

4.11 SEBI has directed to disclose that SEBI may initiate appropriate action against the existing promoters of the Target Company for violation of the SEBI (SAST) Regulations, in terms of the SEBI Act, SEBI (SAST) Regulations and other applicable regulations in this regard.

4.12 <u>Material development(s) in relation to the Target Company:</u>

As per Government of India (GoI) notification No. 12012/3/2010-FPP dated April 02, 2014, under clause 4 - “The production of high cost naphtha based urea units namely SPIC (Tuticorin), MFL (Manali) and MCFL (Mangalore) will continue under modified NPS-III till the gas availability and connectivity is provided to these units or June 2014 whichever is earlier, beyond which subsidy for naphtha based plants will not be paid.” The Cabinet Committee on Economic Affairs had approved the continuation of production for 3 months, that is up to September 30, 2014 at its meeting held on August 27, 2014.

The Target Company has taken up this matter with the Government of Karnataka and Department of Fertilizers, GoI for extending this deadline till the gas availability at the Target Company is ensured. The GoI's decision is awaited in this regard.

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 This Offer is being made pursuant to the execution of the Agreement entered into by the Acquirer and the PAC. The Offer is a competing offer to the open offer made by SCM Soilfert Limited along with Deepak Fertilisers and Petrochemicals Corporation Limited, in compliance with Regulation 20 read with Regulation 3(1), Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations.

5.1.2 The Equity Shares of the Target Company are listed on BSE, NSE and BgSE.

5.1.3 The annualized trading turnover based on the trading volume of the Equity Shares of the Target Company on BSE, NSE and BgSE during May 1, 2013 to April 30, 2014 i.e. 12 (twelve) calendar months preceding May 2014, the month in which the PA was issued, is as under:

Stock Exchange	Number of Equity Shares traded during the 12 calendar months prior to the month in which the PA was issued	Total number of listed Equity Shares during this period	Annualized trading turnover (as a percentage of total listed Equity Shares)
BSE	6,67,01,697	11,85,15,150	56.28%
NSE	7,83,42,075	11,85,15,150	66.10%
BgSE	Trading data is Not Available	11,85,15,150	N.A.

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

Therefore, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares are frequently traded on NSE and BSE and infrequently traded on BgSE.

5.1.4 Further, the Equity Shares are more frequently traded on NSE as compared to BSE in terms of trading volume during the immediately preceding 60 (sixty) trading days from the date of the PA, which is detailed below:

Stock Exchange	Number of Equity Shares traded during immediately preceding 60 trading days from the date of the PA
BSE	61,36,509
NSE	1,05,69,211

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

5.1.5 The Offer Price of Rs. 68.55 (Rupees Sixty Eight and Paise Fifty Five only) per Equity Share is justified in terms of Regulations 8(2) and 8(5) of the SEBI (SAST) Regulations, being higher than the highest of the following:

(a)	Highest negotiated price for any acquisition under the Agreement attracting the obligation to make the Offer	Not Applicable
(b)	Volume-weighted average price paid or payable by the Acquirer or the PAC, during the 52 weeks immediately preceding the date of the PA.	Rs. 64.14*

(c)	Highest price paid or payable for any acquisition, by the Acquirer or the PAC, during the 26 weeks immediately preceding the date of the PA.	Not Applicable
(d)	Volume-weighted average market price of the Equity Shares for a period of 60 trading days immediately preceding the date of the PA as traded on the stock exchange where the maximum volume of trading in the Equity Shares are recorded during such period, provided such Equity Shares are frequently traded.	Rs. 68.54
(e)	Per Equity Share value, as required under Regulation 8(5) of the SEBI (SAST) Regulations.	Not Applicable

** Only the volume weighted price paid by the Adventz Group (Acquirer / PAC 1) during the 52 weeks immediately preceding the PA has been considered; The volume weighted average price paid by the UB Group (PAC 2 / PAC 3 / PAC 4) during the 52 weeks immediately preceding the PA, which works to INR 68.38 per Share has not been considered, since the Adventz Group and the UB Group were not acting in concert at that point of time, when the shares were acquired by the UB Group. Further, even if the volume weighted average of both groups together were to be considered, the same would have been INR 64.68 per Share which is less than the Offer Price of INR 68.55 per Share.*

(Source: Certificate dated May 15, 2014 from M/s. K. J. Sheth & Associates (Chartered Accountants))

It may be noted that in accordance with the directions of the SEBI pursuant to its letter dated July 24, 2014 to the Managers to the Offer, the payment in respect of all the valid acceptances in the Open Offer, shall be made within the specified timeframe of 10 (ten) working days from the last date of the Tendering Period along with an interest @10% per annum per Equity Share for the delay in the payment beyond the Scheduled Payment Date. For the purposes of clarification, it may be noted that an amount of Rs. 1.19 per share will be payable by way of interest to all the successful Shareholders, whose Shares are validly tendered and accepted in the Offer, on the basis of current Offer Price, and assuming that the date of payment of consideration for such accepted Shares is Wednesday, November 05, 2014 (Last date for making payment to the successful shareholders who have validly tendered their shares in the Open Offer).

5.1.6 The price and volume data of the Equity Shares on NSE, i.e. where the Equity Shares are most frequently traded, for a period of 60 (sixty) trading days immediately preceding the date of the PA, as per Regulation 8(2) of the SEBI (SAST) Regulations, are set forth below:

Sr. No.	Date	Total Traded Quantity of Equity Shares	Total Turnover (in Rs. Lakhs)	Volume weighted average price (in Rs.)
1	9-May-14	138,690	100.54	72.49
2	8-May-14	689,979	516.33	74.83
3	7-May-14	147,383	108.5	73.62
4	6-May-14	115,588	85.47	73.94
5	5-May-14	333,581	247.01	74.05
6	2-May-14	732,512	535.13	73.05
7	30-Apr-14	257,978	179.42	69.55
8	29-Apr-14	338,523	238.16	70.35
9	28-Apr-14	461,077	326.09	70.72
10	25-Apr-14	1,437,422	998.56	69.47
11	23-Apr-14	3,536,024	2438.66	68.97

Sr. No.	Date	Total Traded Quantity of Equity Shares	Total Turnover (in Rs. Lakhs)	Volume weighted average price (in Rs.)
12	22-Apr-14	53,630	33.05	61.63
13	21-Apr-14	56,482	34.78	61.58
14	17-Apr-14	46,932	28.57	60.88
15	16-Apr-14	26,313	15.79	60.01
16	15-Apr-14	104,903	63.4	60.44
17	11-Apr-14	40,368	24.29	60.17
18	10-Apr-14	40,784	24.64	60.42
19	9-Apr-14	54,742	32.88	60.06
20	7-Apr-14	98,564	58.24	59.09
21	4-Apr-14	71,536	43.08	60.22
22	3-Apr-14	29,246	17.87	61.10
23	2-Apr-14	31,809	19.45	61.15
24	1-Apr-14	20,092	12.53	62.36
25	31-Mar-14	30,349	18.84	62.08
26	28-Mar-14	25,870	15.95	61.65
27	27-Mar-14	11,130	6.9	61.99
28	26-Mar-14	37,087	23.04	62.12
29	25-Mar-14	33,969	21.08	62.06
30	24-Mar-14	54,535	34.31	62.91
31	22-Mar-14	3,309	2.06	62.25
32	21-Mar-14	52,011	32.25	62.01
33	20-Mar-14	29,001	17.93	61.83
34	19-Mar-14	25,141	15.78	62.77
35	18-Mar-14	44,783	27.86	62.21
36	14-Mar-14	41,599	26	62.50
37	13-Mar-14	24,308	15.18	62.45
38	12-Mar-14	38,886	24.27	62.41
39	11-Mar-14	28,530	17.85	62.57
40	10-Mar-14	38,325	23.9	62.36
41	7-Mar-14	67,955	42.18	62.07
42	6-Mar-14	27,233	16.88	61.98
43	5-Mar-14	33,584	20.92	62.29
44	4-Mar-14	17,169	10.75	62.61
45	3-Mar-14	29,360	18.5	63.01
46	28-Feb-14	58,902	37.09	62.97
47	26-Feb-14	52,198	32.86	62.95
48	25-Feb-14	69,714	43.8	62.83
49	24-Feb-14	20,186	12.52	62.02
50	21-Feb-14	54,278	33.99	62.62
51	20-Feb-14	59,669	36.79	61.66
52	19-Feb-14	42,760	26.23	61.34
53	18-Feb-14	48,765	29.51	60.51
54	17-Feb-14	37,109	22.65	61.04
55	14-Feb-14	56,399	34.93	61.93
56	13-Feb-14	85,096	53.46	62.82
57	12-Feb-14	267,973	168.32	62.81
58	11-Feb-14	37,922	23.33	61.52
59	10-Feb-14	39,028	23.94	61.34
60	7-Feb-14	80,920	49.78	61.52
Total		**10,569,211**	**7,244.07**	

Sr. No.	Date	Total Traded Quantity of Equity Shares	Total Turnover (in Rs. Lakhs)	Volume weighted average price (in Rs.)
Volume Weighted Average Market Price (Total turnover divided by total traded Equity Shares)				**68.54**

(*Source: NSE website*)

5.1.7 In view of the various parameters considered and presented in the table in paragraph 5.1.5, above, in the opinion of the Acquirer, PAC and the Managers to the Offer, the Offer Price of Rs. 68.55 (Rupees Sixty Eight and Paise Fifty Five) per Equity Share, being higher than the highest of the prices mentioned above, is justified in terms of Regulation 8 of the SEBI (SAST) Regulations. In accordance with the directions of the SEBI pursuant to its letter dated July 24, 2014 to the Managers to the Offer, the Acquirer shall make additional interest payment of 10% per annum over and above the Offer Price to all the successful Shareholders, whose Shares are validly tendered and accepted in the Offer, for the delay in payment beyond the Scheduled Payment Date. For the purposes of clarification, it may be noted that an amount of Rs. 1.19 per share will be payable by way of interest to all the successful Shareholders, whose Shares are validly tendered and accepted in the Offer, on the basis of current Offer Price, and assuming that the date of payment of consideration for such accepted Shares is Wednesday, November 05, 2014 (Last date for making payment to the successful shareholders who have validly tendered their shares in the Open Offer).

5.1.8 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 (SAST) 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.

5.1.9 There has been no revision in the Offer Price by the Acquirer and/or the PAC as of the date of this Letter of Offer. In the event of acquisition of the Shares by the Acquirer and/or PAC during the Offer period, at a price higher than the Offer Price, the Offer Price will be revised upwards to equal the highest price paid for such acquisition in terms of SEBI (SAST) Regulations. However, the Acquirer and/or PAC shall not acquire any Equity Shares of the Target Company after the third working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period. Any upward revision in the Offer Price and/or Offer Size may be done at any time prior to the last three working days before the commencement of the Tendering Period i.e. by Thursday, September 25, 2014 and will be notified to the Shareholders.

5.1.10 Further revisions in the Offer Price for any reason including future purchases/competing offers shall be done only prior to the last 3 (three) Working Days before the commencement of the Tendering Period and will be notified to the Shareholders by a (i) notification to the Stock Exchanges, SEBI and the Target Company at its registered office, and (ii) by a public announcement in the same newspaper in which the DPS was published, on the very next day of the notification to the Stock Exchanges, SEBI and the Target Company. Further, in the event of such revision, the Acquirer / PAC shall make corresponding increases to the Escrow Amount. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations.

5.1.11 The Acquirer and the PAC shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

5.1.12 If the Acquirer and the PAC acquire any Equity Shares during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer / PAC shall pay the difference between the highest acquisition price and the Offer Price, to all Shareholders whose Equity Shares have been accepted in the Offer within sixty (60) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges where the Equity Shares are traded, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.

5.2 Financial Arrangements

5.2.1 The Maximum Consideration for this Offer is Rs. 211,22,95,518.45 (Rupees Two Hundred and Eleven Crores Twenty Two Lakhs Ninety Five Thousand Five Hundred and Eighteen and Paise Forty Five) plus interest @ 10% per annum per Equity Share for the delay in the payment beyond the Scheduled Payment Date, assuming full acceptance of this Offer and the same is not subject to differential pricing.

5.2.2 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 (SAST) Regulations. The Acquirer proposes to fund the Offer from its domestic bank accounts and / or through PAC 1, from its available / arranged domestic funds through infusion of equity share capital and / or extension of loan and / or inter-corporate deposits to the Acquirer.

5.2.3 The Acquirer has furnished an unconditional, irrevocable and on demand bank guarantee dated May 15, 2014 in favour of the Managers to the Offer from HDFC Bank Limited acting through its Panjim branch, Goa having bank guarantee No: 059GT01141350001 for an amount of INR 52,80,73,880 (Rupees Fifty Two Crores Eighty Lakhs Seventy Three Thousand Eight Hundred and Eighty) (the "**Bank Guarantee**") in terms of Regulation 17(3)(b) of the SEBI (SAST) 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 (SAST) Regulations. The amount of Bank Guarantee has been further enhanced via amendment dated September 19, 2014, in order to provide for the additional interest portion to be paid to the successful Shareholders, whose Shares are validly tendered and accepted in the Offer. Further the validity of the Bank Guarantee has also been extended from the previous date of November 14, 2014 to December 15, 2014. The Managers to the Offer have been duly authorised to realize the value of the Bank Guarantee in terms of the SEBI (SAST) Regulations. The Acquirer undertakes that in case the Offer process is not completed within the validity period of the Bank Guarantee i.e. by December 15, 2014, then the Bank Guarantee will be further extended by at-least 30 (thirty) days from the date of completion of payment of consideration to the Shareholders who have validly tendered the equity Shares held by them in the target company in this Offer.

5.2.4 Further, the Acquirer and the Managers to the Offer have, entered into an escrow agreement dated May 15, 2014 with HDFC Bank Limited acting through its branch at Manekji Wadia Building, Ground Floor, Nanik Motwani Marg, Fort, Mumbai – 400 001, in terms of which the Acquirer has opened a cash Escrow Account with the Escrow Bank. The Acquirer has deposited a sum of INR 2,11,22,956 (Rupees Two Crores Eleven Lakhs Twenty Two Thousand Nine Hundred and Fifty Six) in the Escrow Account being higher than the amount required under Regulation 17(4) of the SEBI (SAST) Regulations (i.e. 1% (one per cent) of the Maximum Consideration). This amount has been further enhanced on September 19, 2014, in order to provide for the additional interest portion to be paid to the successful Shareholders, whose Shares are validly tendered and accepted in the Offer. The Managers to the Offer have been authorized by the Acquirer to operate and realize the monies lying to the credit of the Escrow Account in terms of the SEBI (SAST) Regulations.

5.2.5 In case of any upward revision of the Offer Price and / or the Offer Size, the Acquirer shall deposit such additional funds, into the Escrow Account and / or increase the Bank Guarantee amount by such extent, so as to comply with the requirements of Regulation 17 of the Regulations, prior to effecting such revision in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

5.2.6 M/s. V. Sankar Aiyar & Co., Chartered Accountants (having membership no. 081350), having their address at Satyam Cinema Complex, Ranjit Nagar Community Centre, New Delhi – 110 008 (Tel: +91 11 2570 2074; Fax: +91 11 2570 5010), have vide their letter dated May 15, 2014, certified on the basis of their examination of the financial accounts of the Acquirer and PAC 1, that they, individually / jointly have adequate liquid financial resources (assets that can be realized) to fulfill all their financial obligations relating to this Offer.

5.2.7 Based on the above, the Managers to the Offer are 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 in relation to this Offer in accordance with the SEBI (SAST) Regulations.

6. TERMS AND CONDITIONS OF THIS OFFER

6.1 This Offer is being made by the Acquirer and the PAC to all the Shareholders, whose names appear in the register of members of the Target Company as of the close of business on Wednesday, September 17, 2014 i.e. the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on Wednesday, September 17, 2014, i.e. the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Offer, i.e. Friday, October 17, 2014, but who are not the registered Shareholders.

6.2 This Offer is being made by the Acquirer and the PAC to all the Shareholders to acquire up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred and Thirty Nine) Equity Shares, representing 26% (Twenty Six percent) of the Voting Share Capital, subject to the terms and conditions mentioned in the PA, DPS and the Letter of Offer.

6.3 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.

6.4 This Offer is a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

6.5 There has been no revision in the Offer Price as of the date of this Letter of Offer. Further revisions in the Offer Price for any reason including future purchases/competing offers shall be made at any time prior to the last three Working Days before the commencement of the Tendering Period and will be notified to the Shareholders by a (i) notification to the Stock Exchanges, SEBI and the Target Company at its registered office, and (ii) by a public announcement in the same newspaper in which the DPS was published, on the very next day of the notification to the Stock Exchanges, SEBI and the Target Company. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. It may be noted that in accordance with the directions of the SEBI pursuant to its letter dated July 24, 2014 to the Managers to the Offer, the payment to all the successful Shareholders, whose Shares are validly tendered and accepted in the Offer, may be made within the specified time frame of 10 (ten) working days from the last date of the Tendering Period subject to the

Acquirer paying an interest @ 10% per annum per Equity Share for the delay in the payment beyond the Scheduled Payment Date.

6.6 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgment constitute an integral part of the terms and conditions of this Offer.

6.7 Accidental omission to dispatch the Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.

6.8 Each Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.

6.9 The Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances. The Acquirer / PAC shall acquire the Equity Shares that are validly accepted in this Offer, together with all rights attached thereto, including the rights to dividends, bonuses and rights offers declared thereon.

6.10 The acceptance of this Offer is entirely at the discretion of the Shareholders. The Acquirer / PAC will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interests in this regard.

6.11 The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in, signed by the applicant Shareholder(s), which should be received by the Registrar to the Offer at the collection centers mentioned in paragraph 7.5 below on or before **17:00 hours on Friday, October 17, 2014**, i.e. Closure of the Tendering Period. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by the Shareholder, the Managers to the Offer and the Acquirer reserve the right to reject the acceptance of this Offer by such Shareholder.

6.12 The Shareholders who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, DPS and the Letter of Offer are **not** entitled to withdraw such acceptance during the Tendering Period for this Offer.

6.13 In the event that the aggregate of the Equity Shares tendered in this Offer by the Shareholders are more than the Offer Size, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.

6.14 Incomplete Forms of Acceptance-cum-Acknowledgement, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the Equity Shares tendered are liable to be rejected.

6.15 To the best of the knowledge of the Acquirer and the PAC, there are no Equity Shares which are subject to any lock-in conditions.

6.16 **Statutory & Other Approvals**

6.16.1 This Offer is subject to receipt of approval from the Competition Commission of India under Section 6(2) of the Competition Act, 2002. The Competition Commission of India vide an order dated September 04, 2014 granted its approval to the Acquirer and PAC 1 for the Offer, as published on September 15, 2014.

6.16.2 As of the date of this LoF, to the best of the knowledge of the Acquirer and the PAC, there are no other statutory approvals required by the Acquirer and/or the PAC to complete this Offer. However, in case any statutory approvals are required by the Acquirer and/or the 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.

6.16.3 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 or any other regulatory body) and submit such approvals, along with the Form of Acceptance-cum-Acknowledgement and other documents required in terms of the Letter of Offer. Further, if the Shareholders who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) require or had required any approvals (including from the RBI or FIPB or any other regulatory body) in respect of the Shares held by them, they will be required to submit such 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 reserves its right to reject such Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non repatriable basis.

6.16.4 Subject to the receipt of statutory approvals, the Acquirer and PAC shall complete all requirements relating to this Offer within 10 (ten) 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.

6.16.5 In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such 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 approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer / PAC agreeing to pay interest to the Shareholders for delay beyond 10 (ten) Working Days from the Closure of the Tendering Period at such rate, as may be specified by SEBI. Provided where the statutory approvals extend to some but not all Shareholders, the Acquirer / PAC will have the option to pay the consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

6.16.6 The Acquirer and the PAC will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are refused for any reason outside the reasonable control of the Acquirer / PAC. In the event of withdrawal of this Offer, a public announcement will be made (through the Managers to the Offer) stating the grounds and reasons for the withdrawal of the Offer in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, within 2 (two) Working Days of such withdrawal, in the same newspapers in which this DPS was published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

7.1 A tender of Equity Shares pursuant to any of the procedures described in the Letter of Offer will constitute a binding agreement between the Acquirer / PAC and the tendering Shareholder, including the tendering Shareholder's acceptance of the terms and conditions of the Letter of Offer. The acceptance of this Offer is entirely at the discretion of the Shareholders. The acceptance of this Offer by the Shareholders must be absolute and unqualified. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any acceptance to this Offer is conditional and/ or incomplete in any respect, the Managers to the Offer, the Acquirer, and the PAC reserve the right to reject the acceptance of the Offer by such Shareholder.

7.2 The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to, (i) all the Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; and (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date.

7.3 Every Shareholder in the Target Company, regardless of whether she/ he/ it held the Equity Shares on the Identified Date, or has not received the Letter of Offer, is entitled to participate in the Offer. Accidental omission to dispatch this Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of this Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.

7.4 The Offer shall open on Wednesday, October 01, 2014 and shall remain open till Friday, October 17, 2014. The Shareholders can also download the Letter of Offer along with the Form of Acceptance-cum-Acknowledgement from the website of SEBI (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.

7.5 The Shareholders who wish to accept this Offer can hand-deliver the Form of Acceptance-cum-Acknowledgement along with the other documents required to accept this Offer, at any of the collection centers mentioned below during business hours on or before 17:00 hours on Friday, October 17, 2014, i.e. the Closure of the Tendering Period, in accordance with the procedure as set out in this LoF:

S. No.	City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
1.	Mumbai	Ms. Nutan Shirke	Karvy Computershare. Pvt Ltd., 24-B, Rajabahudur Mansion, Gr Floor, 6 Ambalal Doshi Marg, Behind BSE Ltd, Fort Mumbai – 400 001	Board No: 022-66235454 Irc No: 022-66235412/27	022-66331135	ircfort@karvy.com nutan.shirke@karvy.com	Hand Delivery
2.	New Delhi	Mr. Rakesh Kr Jamwal / Mr. Vinod Singh Negi	Karvy Computershare. Pvt Ltd., 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001	011-43681700 / 1798	011-41036370	rakeshj@karvy.com jmathew@karvy.com	Hand Delivery
3.	Ahmeda	Mr.	Karvy Computershare. Pvt	079-	NA	ahmedabad@karvy.c	Hand

	bad	Aditya Gupta / Ms. Jagruthi	Ltd., 201-203, Shail, Opp: Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad – 380 006	26400527 / 65150009		om aditya.gupta@karvy.com	Delivery
4.	Chennai	Mr. Karthikeyan / Mr. Ramakrishna	Karvy Computershare Pvt Ltd., No. F11 First Floor, Akshya Plaza New no.108, Adhithanar Salai, Egmore, Chennai – 600 002 Landmark: Opp to Metropolitan court	044-28587781 / 42028513	NA	chennaiirc@karvy.com	Hand Delivery
5.	Hyderabad	Mr. Bhakta Singh	Karvy Computershare. Pvt Ltd., Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081	040-44655000 / 23420818-23	040-23431551	ircmadhapur@karvy.com	Hand Delivery/ Regd Post
6.	Kolkata	Mr. Sujit Kundu / Mr. Debnath	Karvy Computershare Pvt Ltd., 49, Jatin Das Road, Nr. Deshpriya Park, Kolkata 700 029	033 – 66192841 /42	033-24644866	sujitkundu@karvy.com nilkanta@karvy.com	Hand Delivery
7.	Bangalore	Mr. S K Sharma / Mr. Mahadev	Karvy Computershare Pvt Ltd., No.59, Skanda, Putana Road, Basavanagudi, Bengaluru 560 004	080-26621192 / 26606125/ 080-67453244	080-26621169	ircbangalore@karvy.com	Hand Delivery
8.	Vadodara	Mr. Manish Soni	Karvy Computer Share Pvt Ltd., Sb-5, Mangaldeep complex, Opp. Masonic hall, Bpc road, Alkapuri, Vadodara – 390 007	0265-6640870/871	NA	manish.soni@karvy.com; barodamfd@karvy.com	Hand Delivery
9.	Pune	Ms. Sandhya	Karvy Computershare Pvt Ltd., Shrinath Plaza, B-Wing, Ground Floor, Dnyaneshwar Paduka Chowk, Opp. IDBI Bank, F.C. Road, Pune – 411 005	020-25533592	020 25533742	rispune@karvy.com	Hand Delivery
10.	Surat	Mr. Viral Mehta	Karvy Computershare Pvt Ltd., G-5, Empire State Building, Near Udhana Darwaja, Ring Road, Surat – 395 002	0261-3081179	NA	Viral.mehta@karvy.com; suratmf@karvy.com	Hand Delivery
11.	Mangalore	Mr. Lava / Mr.C Setty / Mr.Hariprasad	Karvy Computershare Pvt Ltd., Mahendra Arcade, No.4-6-577/21/22, Kodiabail, Mangalore, Karnataka – 575 003	0824-2492302	NA	cshetty@karvy.com; hariprasad.u@karvy.com	Hand Delivery

All of the centers mentioned above will be open as follows:

Business Hours: *Monday to Friday: 10:30 to 17:00*
Holidays: *Saturdays, Sundays and Public Holidays*

7.6 The Equity Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Managers to the Offer, the Acquirer, the PAC or the Target Company.

7.7 Shareholders who cannot hand deliver their documents at any of the collection centers 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: Plot No. 17 – 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081; Email: mcfl.openoffer@karvy.com; Contact person: Mr. M Murali Krishna, so as to reach the Registrar to the Offer on or before 17:00 hours on Friday, October 17, 2014, i.e. Closure of the Tendering Period.

7.8 <u>Shareholders who are holding Equity Shares in physical form:</u>

7.8.1 The Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer. Original share certificate(s) and valid transfer deed(s), duly completed and signed, in accordance with the instructions specified in this LoF and the Form of Acceptance-cum-Acknowledgement along with self attested copy of PAN cards of all the transferors are required to be submitted.

7.8.2 Valid transfer deed(s) should be duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The transfer deed(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor’s bank.

7.8.3 Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer.

7.8.4 In case of registered Shareholders in whose respect, the aforesaid documents have not been received, but the original share certificate(s) and duly signed transfer form(s) have been received, the Offer shall be deemed to have been accepted.

7.9 **<u>Shareholders who are holding Equity Shares in dematerialized form:</u>**

7.9.1 Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instructions in “Off-market” mode, duly acknowledged by the DP, in favor of the Depository Escrow Account. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein, by the sole/joint Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only.

7.9.2 The Registrar to the Offer has opened a special Depository Escrow Account with Karvy Stock Broking Limited called "KARVY ZFCL-MCFL OPEN OFFER ESCROW ACCOUNT". The Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Depository Escrow Account:

Depository Participant Name	Karvy Stock Broking Limited
DP ID	IN300394
Client ID	18842300
Account Name	Karvy ZFCL – MCFL Open Offer Escrow Account
Depository	National Securities Depository Limited (NSDL)

7.9.3 It is the sole responsibility of the Shareholder to ensure credit of its Equity Shares in the Depository Escrow Account above, on or before Friday October 17, 2014 i.e. Closure of the Tendering Period.

7.9.4 The Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Depository Escrow Account with NSDL.

7.9.5 The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Depository Escrow Account before the Closure of the Tendering Period is liable to be rejected.

7.9.6 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

7.9.7 The Registrar to the Offer is not bound to accept those acceptances for which corresponding Equity Shares have not been credited to the Depository Escrow Account.

7.9.8 In case of resident Shareholders in whose respect, the aforesaid documents have not been received, but the Equity Shares have been received in the above Depository Escrow Account, the Offer shall be deemed to have been accepted.

7.10 <u>Shareholders who have sent their Equity Shares for dematerialization:</u>

7.10.1 The Shareholders who have sent their Equity Shares for dematerialization and who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Shareholder's DP, in accordance with the instructions mentioned in paragraph 7.9 above. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/joint Shareholder(s) whose name appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.

7.10.2 Such Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before Friday October 17, 2014, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Shareholder's DP, the Shareholder can withdraw its dematerialization request and tender the share certificate(s) in this Offer as per the procedure mentioned in paragraph 7.8 above.

7.11 Unregistered Shareholders can also send their application 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 tendered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deed(s) (if applicable) and the original contract note(s) issued by the broker through whom they acquired their Equity Shares, either by hand delivery or by registered post, so that the same are received on or before 17:00 hours on Friday October 17, 2014 i.e. Closure of the Tendering Period. Valid share transfer deed(s), as received from the market, duly executed in favour of the unregistered owner(s) as the proposed transferee(s) along with self attested copy of PAN card of all the transferees, should be submitted along with the application. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance. An additional valid share transfer deed should be duly signed by the unregistered owner(s) as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. No indemnity is required from the unregistered Shareholders. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s). The Shareholders should ensure that the share certificate(s) and above documents reach the designated collection centre on or before 17:00 hours on Friday October 17, 2014, i.e. Closure of the Tendering Period. Unregistered Shareholders holding Equity Shares in dematerialized form may send the application 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 a photocopy of the delivery instruction, so as to reach the Registrar to the Offer on or before the closure of the Tendering Period, i.e., no later than Friday October 17, 2014.

7.12 The Shareholders should also provide all relevant documents, which are necessary to ensure transfer of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

- duly attested death certificate and succession certificate/probate/letter of administration (in case of single Shareholder) if the original Shareholder is no more;
- duly attested power of attorney if any person apart from the Shareholder has signed the application form and/or transfer deeds;
- in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;
- banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and
- any other relevant documents.

7.13 In case of non-receipt of the Letter of Offer, the eligible persons may send their acceptance to this Offer to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the documents as mentioned above so as to reach the Registrar to the Offer on or before 17:00 hours on Friday October 17, 2014, i.e. Closure of the Tendering Period, or in case of beneficial owners, send the application 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 tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account, so as to reach the Registrar to the Offer, on or before 17:00 hours on Friday October 17, 2014, i.e. Closure of the Tendering Period. In case of physical Equity Shares, original share certificate(s) and valid transfer deed(s), duly completed and signed, will also have to be submitted. The Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of the Equity Shares. Shareholders who have sent their Equity Shares for dematerialization/re-materialization need to ensure that the process of getting Equity Shares dematerialized/rematerialized is completed well in time so that the credit in the Depository Escrow Account is received or physical share certificate(s) are received by the Registrar to the Offer on or before 17:00 hours on Friday October 17, 2014, i.e. Closure of the Tendering Period, else their application would be rejected.

7.14 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Equity Shares that are the subject of litigation, wherein the Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. The Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

7.15 The Registrar to the Offer will hold in trust the Equity Shares, by holding the share certificates pertaining to the Equity Shares held in physical form and the Equity Shares held in demat form in the Depository Escrow Account, the Form of Acceptance-cum-Acknowledgement, if any, the transfer form(s) and other documents submitted on behalf of the Shareholders whose Equity Shares have been validly accepted in this Offer, till completion of formalities relating to this Offer. In case of the Equity Shares tendered in physical form, where the original share certificates are required to be split, all the documents will be returned only upon receipt of the new share certificates from the Target Company.

7.16 If the aggregate of the valid responses to this Offer by the Shareholders are more than the Equity Shares agreed to be acquired in this Offer, then the offers received from the Shareholders will be accepted on a proportionate basis, in consultation with the Managers to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of the Equity Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

7.17 The marketable lot of the Target Company for the purpose of this Offer is 1 (one) Equity Share.

7.18 Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Shareholders'/unregistered Shareholders' sole risk to the sole/first Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the demat account is maintained till the completion of the Offer formalities.

7.19 Payment to those Shareholders whose Equity Share are validly accepted, will be by way of a bankers' cheque / demand draft / NEFT / RTGS. The Shareholders who opt for receiving consideration through NEFT/RTGS are requested to give the authorization for the same in the Form of Acceptance-cum-Acknowledgement, provide the MICR / IFSC of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account along with the Form of Acceptance-cum-Acknowledgement. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). In case of joint holders/unregistered owners, payments will be made in the name of the first holder/unregistered owner. The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares and/or (ii) the share certificate(s) for any rejected Equity Shares, will be dispatched to the Shareholders by registered post / speed post, at the Shareholder's sole risk.

7.20 For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through NEFT/RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered post at the Shareholder's sole risk.

7.21 All bankers' cheques/demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque/demand draft.

7.22 Compliance with tax requirements:

General

(a) As per the provisions of Section 195(1) / Section 196D of the Income Tax Act, 1961 ("**IT Act**"), as amended by The Finance (No. 2) Act, 2014, any person responsible for paying to a non-resident, other than to an FII, as consideration for acquisition of shares, any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable to the Public Shareholders whose Equity Shares are validly accepted in this Open Offer would be chargeable to capital gains under Section 45 of the Income Tax Act or as business profits, as the case may be, the Acquirer / PAC are required to deduct taxes at source (including surcharge and education cess) at the applicable rates to such non-resident Public Shareholders, other than to an FII.

(b) In case of delay in receipt of statutory approvals, as provided in paragraph 6.16 herein, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Shareholders for delay beyond 10 Working Days at such rate, as may be specified by SEBI from time to time.

(c) As per the provisions of Section 194A and 195 of the Income Tax Act, read with The Finance (No. 2) Act, 2014, a body corporate responsible for paying to residents and non-residents (including FII) any income by way of interest, is required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable). Since the interest payable to the Shareholders on being directed by SEBI under Regulation 18(11) of the SEBI (SAST) Regulations will be chargeable to income tax, the Acquirer / PAC will be required to deduct tax at source under section 194A or 195 of the Income Tax Act (including, in the case of non-residents, surcharge and education cess as applicable) on such interest income.

(d) In view of provisions of section 206AA of Income Tax Act, resident and non-resident Shareholders (including FII) are required to submit their PAN. In case PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer / PAC will arrange to deduct tax at the rate of 20% (twenty per cent) or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act, whichever is higher.

(e) In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer / PAC, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted at the maximum rate, as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the entire consideration and interest if any, payable to such Shareholder.

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

(g) In the case of non – resident shareholders, the rate of deduction of tax and the quantum of amount on which tax rate is to be applied is dependent on several factors. Since the Acquirer / PAC do not have in-house information in respect of various non-resident Public Shareholders, such Public Shareholders must specify the details requested in the Form of Acceptance-cum-Acknowledgement, including but not limited to the following information: (i) Residential status of the Public Shareholder; (ii) Category to which the non-resident Public Shareholder belongs i.e., Non Resident Indian, Overseas Corporate Body, Non-domestic company, FII being a company, FII other than a company or any other non-resident; (iii) Date of acquisition of Equity Shares (to be supported by evidence); (iv) Cost of acquisition (to be supported by evidence) (v) In case of an individual shareholder, who is either a citizen of India or a person of Indian Origin, who claims to be holding shares for more than twelve months, whether shares were acquired by him / her out of convertible foreign exchange (to be supported by evidence) (vi) Whether any concession in the matter of TDS is claimed based on certificate u/s. 195 / 197 (to be supported by evidence) (vii) Whether any concession in the matter of TDS is claimed under any DTAA (to be supported by evidence).

Further, for the purpose of determining whether the capital gains are short-term or long-term, the Acquirer / PAC shall, if required, cross verify the details provided by the shareholder with the information obtained from the Company.

(h) Any non – resident shareholder claiming benefit under any Double Taxation Avoidance Agreement ("**DTAA**") between India and any other foreign country should furnish 'Tax Residence Certificate' provided to him / it by the income tax authority of such other foreign country of which he / it claims to be a tax resident. In addition, such shareholder will also be required to provide such other information/document as may be prescribed by Indian revenue authorities in this regard, if any.

(i) In case the non – resident / resident shareholder furnishes certificate from the Income Tax authorities under Section 195 or under section 197 of the Income Tax Act, 1961 tax will be deducted at source in accordance with the certificate.

<u>For all non – resident shareholders except FII (in respect of the consideration payable under the Open Offer):</u>

(j) In computing the amount of TDS, to be eligible for (a) deduction for cost of acquisition and (b) lower rate of Tax Deduction at Source as applicable to Long Term Capital Gain the shareholder will need to provide following documents:

(1) Document evidencing price at which shares were acquired e.g. broker invoice / contract note

(2) Document evidencing the date on which the shares were acquired e.g. broker invoice / contract note

(3) To be eligible for lower rate of tax deduction (as envisaged in section 115E of the Income Tax Act, 1961), an individual shareholder, who is either an Indian Citizen or a Person of Indian Origin, document evidencing twin facts namely (i) shares are held for more than twelve months and (ii) shares were acquired by the individual himself / herself using convertible foreign exchange. The document can be in the form of either (a) extract of relevant pages of demat account or (b) bank certificate.

(k) In absence of the above documents, the tax will be deducted at source on the entire consideration payable to the shareholder treating the nature of gain as short-term capital gains or business profits as the case may be. In their absence, no deduction will be made in computing taxable gain and no concessional rate of TDS (as applicable to Long Term Capital Gains) will be applied.

For Foreign Institutional Investors ("FII") (in respect of the consideration payable under the Open Offer):

(l) In view of the change in the definition of 'Capital Asset' provided in section 2 (14) of the Income Tax Act, 1961 the Acquirer / PAC will not deduct tax at source on the consideration payable under the open offer since no tax is required to be deducted at source on income by way of 'Capital Gain' arising to an FII from the transfer of securities as per the provisions of section 196D (2) of the Income Tax Act, 1961.

Tax to be deducted in case of resident Shareholders

(m) In absence of any specific provision under the Income Tax Act, the Acquirer / PAC will not deduct tax on the consideration payable to resident Shareholders for acquisition of Equity Shares.

(n) The Acquirer / PAC will deduct the tax at the stipulated rates on interest, if any, payable to resident Shareholders, if the amount of interest payable is in excess of Rs. 5,000.

(o) The resident Shareholder claiming that no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance-cum-Acknowledgement, a certificate under Section 197 of the Income Tax Act from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer / PAC or, 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. The self declaration in Form 15G or Form 15H would not be valid unless the Shareholder furnishes PAN in such declaration. In case the aforesaid certificate under Section 197 of the Income Tax Act or Form 15G or 15H, if applicable, is not submitted, the Acquirer / PAC will arrange to deduct tax at the rate, as may be applicable to the category of the Shareholder under the Income Tax Act.

(p) No tax is to be deducted on interest amount in the case of resident Shareholder being a mutual fund as per Section 10(23D) of the Income Tax Act or a bank or an entity specified under Section 194A(3)(iii) of the Income Tax Act, if it submits a copy of the relevant registration or notification along with the Form of Acceptance-cum-Acknowledgement.

Issue of tax deduction at source certificate

(q) The Acquirer / PAC will issue a certificate in the prescribed form to the Shareholders (resident and non- resident) 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.

Withholding taxes in respect of overseas jurisdictions

(r) Apart from the above, the Acquirer / PAC will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdictions where the non-resident Shareholder is a resident for tax purposes ("**Overseas Tax**").

For this purpose, the non-resident Shareholder shall duly represent in the Form of Acceptance-cum-Acknowledgement, the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident and the Acquirer / PAC will be entitled to rely on this representation at their/its sole discretion.

(s) Shareholders who wish to tender their Equity Shares must submit the following information along with the Form of Acceptance-cum-Acknowledgement:

1. Documents required from non-resident Shareholders (except FII):
    a. Self attested copy of PAN card
    b. Document evidencing price at which shares were acquired e.g. broker invoice / contract note
    c. Document evidencing the date on which the shares were acquired e.g. broker invoice / contract note
    d. An individual shareholder, who is either an Indian Citizen or a Person of Indian Origin, document evidencing twin facts namely (i) shares are held for more than twelve months and (ii) shares were acquired by the individual himself / herself using convertible foreign exchange. The document can be in the form of either (a) extract of relevant pages of demat account or (b) bank certificate.
    e. Certificate u/s. 195 or 197, in case any concession is claimed on that basis
    f. Tax Residence Certificate where the non resident claiming any benefit under a DTAA
    g. In addition, such non-resident Shareholders will be required to provide such other information/document as may be prescribed by Indian revenue authorities in this regard, if any including Form 10F.

2. Documents required from FIIs:

    a. Self Attested copy of PAN Card
    b. Self Attested copy of SEBI Registration Certificate as FII (including sub–account of FII)
    c. Certificate u/s. 195 or 197, in case any concession is claimed on that basis (applicable only for the interest payment, if any)
    d. Tax Residence Certificate where the FII claiming any benefit under a DTAA (applicable only for the interest payment, if any)
    e. In addition, such non-resident Shareholders will be required to provide such other information/document as may be prescribed by Indian revenue authorities in this regard, if any including Form 10F (applicable only for the interest payment, if any)

3. Documents required from resident Shareholders:

    a. Self attested copy of PAN card
    b. If applicable, self declaration form in Form 15G Form 15H (in duplicate), applicable only for the interest payment, if any.
    c. Certificate u/s. 197, in case any concession is claimed on that basis (applicable only for the interest payment, if any)
    d. For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the

Income Tax Act – Copy of relevant registration or notification (applicable only for the interest payment, if any)

(t) 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. The Acquirer, the PAC and the Managers to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

The Acquirer / PAC will be statutorily required to apply the rates and other provisions related to tax deduction at source as applicable at the time of acceptance of shares under open offer / payment to shareholders.

Taxes once deducted will not be refunded under any circumstances.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by the Shareholders at the registered offices of the Managers to the Offer:

- Ambit Corporate Finance Private Limited - Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, and
- ICICI Securities Limited - ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400020

The documents can be inspected during normal business hours (10.30 AM to 5.00 PM) on all Working Days during the Tendering Period.

1. Certificate of Incorporation and Memorandum and Articles of Association of the Acquirer and the PAC

2. Certificate of Incorporation and Memorandum and Articles of Association of the Target Company

3. Letter dated May 15, 2014, from M/s. V. Sankar Aiyar & Co., Chartered Accountants, having its address at Satyam Cinema Complex, Ranjit Nagar Community Centre, New Delhi – 110 008 (Tel: +91 11 2570 2074; Fax: +91 11 2570 5010), certifying that the Acquirer and PAC 1 have adequate and firm financial resources to meet their financial obligations under this Offer

4. Agreement dated May 12, 2014 that triggered this Offer

5. Letter dated May 15, 2014 from the Escrow Bank confirming the amount kept in the Escrow Account and a lien in favor of the Managers to the Offer

6. Bank Guarantee dated May 15, 2014 having bank guarantee number 059GT01141350001

7. Annual Reports and Audited Financials of FY2014, FY2013 and FY2012 of the Target Company

8. Annual Reports and Audited Financials of FY2014, FY2013 and FY2012 of the Acquirer and PAC 1

9. Audited Financials of FY2014, FY2013 and FY2012 of PAC 3

10. Annual Reports and Audited Financials of FY2014, FY2013 and FY2012 for PAC 2 and PAC 4

11. Copy of Public Announcement dated May 12, 2014 and the published copy of Detailed Public Statement published on May 20, 2014

12. Copy of the Offer opening public announcement published by the Managers to the Offer on behalf of the Acquirer and the PAC

13. Published copy of the recommendation of the committee of independent directors of the Target Company's Board of Directors in terms of Regulation 26(7) of the SEBI (SAST) Regulations

14. Letter from SEBI dated July 15, 2014 giving its observations on the Draft Letter of Offer, received by the Managers to the Offer on July 16, 2014

15. Letters from SEBI dated July 24, 2014, August 22, 2014 and September 16, 2014 in relation to the Open Offer

9. DECLARATION BY THE ACQUIRER AND THE PAC

9.1 The Acquirer and the PAC along with their respective directors (as applicable) accept full responsibility, severally and jointly, for the information contained in this Letter of Offer (other than such information as has been obtained from public sources) and for ensuring compliance with the SEBI (SAST) Regulations and for fulfilling their obligations as laid down in terms of the SEBI (SAST) Regulations in respect of this Offer.

9.2 The information contained in this Letter of Offer is as of the date of this Letter of Offer, unless expressly stated otherwise.

9.3 The person(s) signing this Letter of Offer on behalf of the Acquirer and the PAC have been duly and legally authorised by the board of directors of the Acquirer and the PAC to sign this Letter of Offer.

For and on behalf of the Acquirer	**For and on behalf of PAC 1**	**For and on behalf of PAC 2**	**For and on behalf of PAC 3**	**For and on behalf of PAC 4**
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Authorised Signatory	**Authorised Signatory**	**Authorised Signatory**	**Authorised Signatory**	**Authorised Signatory**

Date: September 19, 2014

Encl:
1) Form of Acceptance-cum-Acknowledgement
2) Transfer deed(s) (for Shareholders holding Equity Shares in physical form)