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 Manager to the Offer or the Registrar to the Offer. In case you have recently sold your Equity Shares in MCF, please hand over this 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")

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

TO ACQUIRE

up to 4,33,29,000 (Four Crore, Thirty Three Lakh, Twenty Nine Thousand) fully paid-up equity shares of face value of Rs. 10 (Rupees Ten) each (each an "**Equity Share**"), constituting 36.56% (Thirty Six point Five Six Per Cent) 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. 91.92 (Rupees Ninety One and Paise Ninety Two only) per Equity Share ("Offer Price") plus interest @ 10% per annum per Equity Share for delay in payment beyond the Scheduled Payment Date (as defined hereafter), payable in cash (For the purposes of clarification, an amount of Rs. 2.12 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, May 20, 2015)

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 3(1) and 3(3) 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 NOT a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.**
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 Wednesday, April 15, 2015, the same will be notified to the public by way of a public announcement on Thursday, April 16, 2015, 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 Manager to the Offer.
8. A copy of the public announcement in relation to this Offer ("**PA**"), the Detailed Public Statement, the Revised DPS, 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).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
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	**CAMEO CORPORATE SERVICES LIMITED** Subramanian Building, No.1 Club House Road, Chennai 600 002 Tel: +91-44-28460390 Toll Free No.: 1800-102-3669 Fax: +91-44-28460129 E-mail: mcfl.openoffer@cameoindia.com Website: www.cameoindia.com Contact Person: Ms. Sreepriya .K, Head – RTA & Company Secretary SEBI Registration Number: INR000003753

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

Activity	Original Day and Date	Revised Day and Date
Date of the PA	Thursday, December 04, 2014	Thursday, December 04, 2014
Date of publishing the DPS	Thursday, December 11, 2014	Thursday, December 11, 2014
Filing of the Draft Letter of Offer with SEBI	Thursday, December 18, 2014	Thursday, December 18, 2014
Last date for public announcement of a competing offer(s)	Friday, January 02, 2015	Friday, January 02, 2015
Last date for receipt of comments from SEBI on the DLoF (in the event, SEBI has not sought clarifications or additional information from the Manager to the Offer)	Friday, January 09, 2015	Friday, February 27, 2015

Identified Date*	Tuesday, January 13, 2015	Monday, April 06, 2015
Date by which Letter of Offer will be dispatched to the Shareholders as on the Identified Date	Tuesday, January 20, 2015	Monday, April 13, 2015
Last date for upward revision of Offer Price and / or Offer Size	Thursday, January 22, 2015	Wednesday, April 15, 2015
Last date for publication in newspapers regarding the upward revision of Offer Price and / or Offer Size	Friday, January 23, 2015	Thursday, April 16, 2015
Last date by which the recommendation of the committee of independent directors of the Target Company will be published	Friday, January 23, 2015	Friday, April 17, 2015
Date of public announcement for opening of the Offer in the newspapers where the DPS has been published	Tuesday, January 27, 2015	Monday, April 20, 2015
Date of commencement of the Tendering Period (Offer opening date)	Wednesday, January 28, 2015	Tuesday, April 21, 2015
Date of expiry of the Tendering Period (Offer closing date)	Tuesday, February 10, 2015	Wednesday, May 06, 2015
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	Wednesday, February 25, 2015	Wednesday, May 20, 2015

**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 this 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 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. Risks relating to this Offer

1. The Offer is subject to receipt of approval from the Competition Commission of India under Section 6(2) of the Competition Act, 2002. The CCI, pursuant to a letter dated March 27, 2015, as received by the Acquirer on March 31, 2015, has communicated that it has granted its approval to the Acquirer and the PAC for the proposed Open Offer for acquisition of Equity Shares of the Target Company. However, in line with its current practice, the order of the CCI in this regard is to follow. 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 wilful 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 this 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. 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.

4. 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.

5. 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.

6. This Offer is an offer to acquire up to 4,33,29,000 (Four Crore, Thirty Three Lakh, Twenty Nine Thousand) Equity Shares, representing 36.56% (Thirty Six point Five Six Per Cent) 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 Manager 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.

7. 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 Manager 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.

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

9. The Acquirer, the PAC and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, the Revised DPS, this Letter of Offer or in the advertisement

or any materials issued by or at the instance of the Acquirer and/or PAC, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company. Any person placing reliance on any other source of information will be doing so at his/her/its own risk.

B. 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 Manager 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 / or the PAC and therefore all the financial obligations under the Open Offer shall be met by the Acquirer and / or the PAC.

GENERAL

This Letter of Offer together with the Revised DPS that was published on February 6, 2015, the DPS that was published on December 11, 2014 and the PA dated December 4, 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. Neither the delivery of this Letter of Offer, 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 name appears 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 the Draft Letter of Offer and/or the 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 the Draft Letter of Offer and/or the 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
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. Wednesday, May 06, 2015
Depository Escrow Account	The depository account opened by the Registrar to the Offer with Stock Holding Corporation Of India Limited, having DP ID of IN301080 and beneficiary client ID of 22847941
Depositories	CDSL and NSDL
DP	Depository Participant
DPS / Detailed Public Statement	Detailed public statement in relation to this Offer published on December 11, 2014, by the Manager to the Offer, on behalf of the Acquirer and the PAC
Draft Letter of Offer / DLoF	The draft letter of offer, first filed with SEBI and Stock Exchanges and sent to the Target Company on December 18, 2014, as amended and re-filed with SEBI and Stock Exchanges and re-sent to the Target Company on February 11, 2015
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 Manager 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
FIPB	Foreign Investment Promotion Board
Form of Acceptance-cum-Acknowledgement	The form of acceptance-cum-acknowledgement, annexed to 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	Monday, April 06, 2015, 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 April 8, 2015.
Listing Agreements	Listing agreements entered into by the Target Company with BSE, NSE and the BgSE
Manager to the Offer	I-Sec
Maximum Consideration	Total funding requirement for this Offer of INR 398,28,01,680 (Rupees Three Hundred and Ninety Eight Crore, Twenty Eight Lakh, One Thousand, Six Hundred and Eighty only), 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 any further 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 4,33,29,000 (Four Crore, Thirty Three Lakh, Twenty Nine Thousand) Equity Shares, representing 36.56% (Thirty Six point Five Six Per Cent) of the Voting Share Capital
Offer Period	The period between the date of PA 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 91.92 (Rupees Ninety One and Paise Ninety Two only)
Offer Size	Up to 4,33,29,000 (Four Crore, Thirty Three Lakh, Twenty Nine Thousand) Equity Shares, representing 36.56% (Thirty Six point Five Six Per Cent) of the Voting Share Capital
Overseas Tax	Tax payable under the tax laws applicable in overseas jurisdictions
PA / Public Announcement	Public announcement dated December 4, 2014, issued by the Manager to the Offer on behalf of the Acquirer and the PAC, in relation to this Offer
PAC	Zuari Agro Chemicals Limited having its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726; Tel.: +91 832 2592180; Fax: +91 832 2555279
PAN	Permanent Account Number
QFI	Qualified Financial Institution
RBI	Reserve Bank of India

Registrar to the Offer	Cameo Corporate Services Limited, having its registered office at Subramanian Building, No.1 Club House Road, Chennai 600 002; Tel: +91-44-28460390
Revised DPS / Revised Detailed Public Statement	Revised detailed public statement dated February 5, 2015 in relation to this Offer, published on February 6, 2015, by the Manager to the Offer, on behalf of the Acquirer and the PAC
Rs. / Rupees / INR	Indian Rupees
RTGS	Real Time Gross Settlement
Scheduled Payment Date	February 25, 2015, being the last date for payment of consideration under the Offer in accordance with the original timelines for the Offer
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 the 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 (*It may be noted that SEBI has allowed the exit of BgSE as a stock exchange vide the exit order dated December 26, 2014)*
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 Tuesday, April 21, 2015 and closing on Wednesday, May 06, 2015 (both days inclusive), or such other revised period pursuant to the SEBI (SAST) Regulations
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 MANAGER TO THE OFFER IS 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 MANAGER TO THE OFFER, I-SEC, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 10, 2015 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

2.1.1 The Offer is a mandatory open offer, being made to the Shareholders of the Target Company pursuant to Regulation 3(1) and 3(3) of the SEBI (SAST) Regulations. As per the PA, the DPS and the DLoF dated December 18, 2014, the Offer was announced as a voluntary open offer pursuant to Regulation 6 of the SEBI (SAST) Regulations. However, pursuant to the Revised DPS and the DLoF amended and re-filed on February 11, 2015, it was revised to a mandatory open offer pursuant to Regulation 3(1) and 3(3) of the SEBI (SAST) Regulations.

2.1.2 The objective of this Offer is to seek to consolidate the shareholding of the Acquirer in the Target Company. The Acquirer and the PAC believe that the line of business of the Acquirer and PAC being similar to the line of business of the Target Company, the successful completion of the Offer will create synergies between the operations of the Target Company and those of the Acquirer and PAC. The Acquirer and the PAC intend to continue with the existing line of business of the Target Company and expand it with financial support and by harnessing the aforesaid synergies.

2.1.3 The shareholders forming a part of the promoter / promoter group of the Target Company shall not be eligible to tender their shares in the Offer.

2.1.4 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.

2.1.5 This Offer does not entitle the Acquirer and the PAC to nominate any additional directors on the Board of Directors of the Target Company. However, it may be noted that pursuant to the agreement dated May 12, 2014 executed by the Acquirer, PAC, United Breweries (Holdings) Limited, Kingfisher Finvest India Limited and McDowell Holdings Limited, the Acquirer and PAC have a right to appoint a director on the Board of the Target Company, which has not yet been exercised. The Acquirer and the PAC may exercise the aforesaid right and appoint a director on Board of the Target Company after the Offer.

2.1.6 The Acquirer is a promoter and the PAC is a part of the promoter group of the Target Company, and therefore the other members of the promoter and promoter group of the Target Company i.e. United Breweries Holdings Limited, McDowell Holdings Limited and Kingfisher Finvest India Limited are deemed to be acting in concert with the Acquirer, in addition to the PAC. However, for the purpose of this Offer, it may be noted that the Acquirer and PAC are making this Offer to the Shareholders of the Target Company, and all the financial obligations under the Offer shall be met by the Acquirer and / or the PAC.

2.1.7 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 and the Revised 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 3(1) and 3(3) of the SEBI (SAST) Regulations, as a mandatory open offer.

2.2.2 The Public Announcement was issued on December 4, 2014 to the Shareholders of the Target Company through the Stock Exchanges, by the Manager 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 dated December 10, 2014 on December 11, 2014 and the Revised DPS dated February 5, 2015 on February 6, 2015 in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Mumbai Lakshadeep	Marathi	Mumbai
Hosa Digantha	Kannada	Bengaluru

A copy of the DPS and the Revised 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 the Shareholders of the Target Company, to acquire up to 4,33,29,000 (Four Crore, Thirty Three Lakh, Twenty Nine Thousand) Shares, representing 36.56% (Thirty Six point Five Six Per Cent) of the Voting Share

Capital of the Target Company, at a price of Rs. 91.92 (Rupees Ninety One and Paise Ninety Two only) 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, the Revised 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 (36.56% of the Voting Share Capital)	4,33,29,000

2.2.7 All the Equity Shares validly tendered under this Offer to the extent of 36.56% 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 may be 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 Manager to the Offer) shall make a public announcement, within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS and the Revised 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 a letter dated March 27, 2015, as received by the Acquirer on March 31, 2015, has communicated that it has granted its approval to the Acquirer and the PAC for the proposed Open Offer for acquisition of Equity Shares of the Target Company. However, in line with its current practice, the order of the CCI in this regard is to follow.

2.2.9 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

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. December 4, 2014, and up to the date of this Letter of Offer.

2.2.12 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. If pursuant to any reason whatsoever including any further revision in the Offer Size, the public shareholding falls below the minimum level required for continued listing under Clause 40A of the Listing Agreement and Rule 19A of the SCRR, the Acquirer and the PAC shall undertake steps to bring down the non-public shareholding to the level specified within the time permitted under the SCRR.

2.3 Objects of this Offer

2.3.1 The objective of this Offer is to seek to consolidate the shareholding of the Acquirer in the Target Company. The Acquirer and the PAC believe that the line of business of the Acquirer and PAC being similar to the line of business of the Target Company, the successful completion of the Offer will create synergies between the operations of the Target Company and those of the Acquirer and PAC. The Acquirer and the PAC intend to continue with the existing line of business of the Target Company and expand it with financial support and by harnessing the aforesaid synergies.

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 2 (two) years from the completion of this Offer, except in the ordinary course of business. The Acquirer and PAC undertake that they will not restructure, sell, lease, dispose of or otherwise encumber any substantial assets of the Target Company other than in the ordinary course of business, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot during the succeeding 2 (two) years from the completion of this Offer.

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. 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
5.	Mr. Bhaskar Chatterjee DIN: 00688184 Designation: Director	Over 40 years of experience in various capacities as Project Engineer, Purchasing Manager, Maintenance Manager and General Manager (Projects and Technical Services), Director of operations and also Chief Operating Officer of a company.	Mechanical Engineer from Jadavpur University, Kolkata	March 10, 2015
6.	Mr. Lingapuram	Over 40 years of experience in various	Chemical	March 10,

	Madhyagowder Chandrasekaran DIN: 01245052 Designation: Director	positions in Plant Operations, Project Management, Technical Services, Business Development etc, also deputed for one year as a member of the top management team and worked there as Vice President (Special Projects) for focusing on de-bottlenecking the plant.	Engineer from Madras University, Diploma in Administrative Management from Mumbai University	2015

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 1,95,14,211 Equity Shares representing 16.47% of the Voting Share Capital of the Target Company and is a promoter of the Target Company. Except for this holding in the Target Company and being a promoter of 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	**6 Months Ended September 30**	**Financial Year Ended March 31,**		
	2014	**2014**	**2013**	**2012**
Income from Operations	0.00	0.94	-	-
Other Income	2.02	5.94	3.61	0.86
Total Income	**2.02**	**6.88**	**3.61**	**0.86**
Total Expenditure	**1.40**	**3.96**	**4.60**	**1.59**
Profit/(Loss) before Depreciation, Interest & Tax	**0.62**	**2.92**	**(0.99)**	**(0.73)**
Depreciation	0.01	0.02	0.02	0.02
Interest and Finance Charges	6.54	10.49	2.45	0.42
Profit/ (Loss) Before Tax	**(5.93)**	**(7.59)**	**(3.46)**	**(1.17)**
Provision for Tax	-	-	-	-
Profit/ (Loss) After Tax	**(5.93)**	**(7.59)**	**(3.46)**	**(1.17)**

All figures in INR crores

Balance Sheet	**6 Months Ended September 30**	**As on March 31,**		
	2014	**2014**	**2013**	**2012**
<u>Sources of Funds</u>				

Paid up Share Capital	15.35	15.35	0.05	0.05
Reserves and Surplus (excluding Revaluation Reserves)	(18.38)	(12.45)	(4.86)	(1.40)
Net worth	**(3.03)**	**2.90**	**(4.81)**	**(1.35)**
Secured Loans	35.16	22.45	-	-
Unsecured Loans	177.39	148.28	46.67	67.50
Total	**209.52**	**173.63**	**41.86**	**66.15**
Uses of funds				
Net fixed assets (Note – 1)	65.16	49.94	11.78	4.59
Investments	95.51	95.51	-	-
Net current assets	39.77	18.12	16.59	18.51
Other net assets	9.09	10.06	13.49	43.05
Total miscellaneous expenditure not written off	0.00	-	-	-
Total	**209.52**	**173.63**	**41.86**	**66.15**

(In INR, except percentages)

Other Financial Data	**6 Months Ended September 30**	**Financial Year Ended March 31,**		
	2014	**2014**	**2013**	**2012**
Dividend (%)	-	-	-	-
Earnings Per Share (EPS) - Basic and Diluted	(7.70)*	(14.12)	(692.35)	(232.20)

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

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 and management certified financial statements of the Acquirer as at and for the 6 month period ended September 30, 2014.*

3.12 As on September 30, 2014, the Acquirer does not have any contingent liabilities.

B. Zuari Agro Chemicals Limited

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

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

3.16 PAC is the holding company of the Acquirer. PAC 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 the PAC is INR 42,05,80,060 comprising of 4,20,58,006 equity shares of INR 10 each. The brief shareholding pattern of PAC as on March 31, 2015 is provided below:

Sr. No.	Shareholder's Category	No. of equity shares held	Percentage of equity shares held
1	Promoters and Promoter Group	3,09,05,242	73.48%
2	FII/ Mutual-Funds/ FIs / Banks	74,44,465	17.70%
3	Public	37,08,299	8.82%
	Total Paid Up Capital	**4,20,58,006**	**100.00%**

As on March 31, 2015, no public shareholder holds more than 5% of the equity capital of the PAC.

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

Sr. No.	Name of Director, DIN and Designation	Experience	Qualification	Date of Appointment
1.	Mr. Saroj Kumar Poddar DIN: 00008654 Designation: Chairman	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 20, 2011
2.	Mr. Akshay Poddar DIN: 00008686 Designation: Non-Executive 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: Director	Over 26 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. 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

5.	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
6.	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
7.	Ms. Kiran Dhingra DIN: 00425602 Designation: Director	Ms. Kiran Dhingra has 38 years of experience in governance and has held senior positions in decision making capacities in practically all sectors-the developmental, agricultural, social, industrial, infrastructural, transportation, economic and regulatory. She joined Government in 1975, after standing first in the combined merit list for IFS/IAS, and opted to serve in the IAS. Ms. Dhingra has several years of corporate experience, having served as Government Director or Chairman on the Board of several central public sector undertakings, or supervised their functioning. These included the Delhi Tourism and Transport Development Corporation, the Delhi Metro Rail Corporation, the National Housing Bank, the Housing and Urban Development Corporation Limited, the Cotton Corporation of India Limited, the Central Cottage Industries Corporation of India Limited, etc.	M.A. (English Literature), Meerut University, Meerut	March 10, 2015
8.	Mr. Kapil Mehan DIN: 01215092 Designation: Managing Director	Mr. Kapil Mehan has been appointed as the Managing Director of Zuari Agro Chemicals Limited effective April 1, 2015. Armed with an extensive experience, he has held several prominent leadership positions and strategic roles in prestigious companies such as Rallis India Limited, Tata Chemicals Limited and Coromandel International Limited. He served as the Chief Operating Officer of Fertilisers Division/ Unit at Tata Chemicals Limited until August 31, 2010 before he took charge as the Managing Director of Coromandel International Limited and led the organisation to achieve unprecedented growth and profits, between October 19, 2010 and February 13, 2015. Mr. Mehan is an active member of several industry bodies. He is serving as director on the board of The Fertiliser Association of India and International Fertiliser Industry Association, and is also the Chairman of IFA Agriculture Committee.	Graduate in Veterinary Science and Animal Health from Punjab Agricultural University, Ludhiana and PGDM with specialization in Agriculture from Indian Institute of Management, Ahmedabad	April 1, 2015

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

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

- PAC has executed a contract manufacturing agreement dated March 13, 2014 with the Target Company for manufacturing of Di Ammonium Phosphate and NPK (20:20:0:13);
- PAC has executed a memorandum of understanding dated April 11, 2014 with the Target Company for sale of Di Ammonium Phosphate and Muriate of potash on high sea sale basis.
- PAC has executed a High Sea Sales agreement dated November 7, 2014 with the Target Company for sale of Phosphoric Acid.
- PAC has executed a contract for Handling & Transportation of Imported Fertilizers dated November 15, 2014 with the Target Company.

3.20 As PAC 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.

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

3.22 The key financial information of PAC is as follows:

All figures in INR crores

Profit & Loss Statement	**6 Months Ended September 30**	**Financial Year Ended March 31,**		
	2014	**2014**	**2013**	**2012**
	Standalone	**Consolidated**		
Net Income from Operations	2,561.07	7,340.75	7,889.14	8,221.26
Other Income	19.64	80.05	101.50	93.40
Total Income	**2,580.71**	**7,420.80**	**7,990.64**	**8,314.66**
Total Expenditure	**2,471.59**	**7,072.97**	**7,554.05**	**7,930.67**
Profit/(Loss) before Depreciation, Interest & Tax	**109.12**	**347.83**	**436.59**	**383.99**
Depreciation	8.58	34.02	38.09	28.64
Interest and Finance Charges	124.66	379.82	303.34	87.91
Profit/ (Loss) Before Tax	**(24.13)**	**(66.01)**	**95.16**	**267.44**
Tax	(8.19)	(9.44)	20.72	86.85
Profit/ (Loss) After Tax	**(15.94)**	**(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	**(15.94)**	**(44.27)**	**64.31**	**164.41**

All figures in INR crores

Balance Sheet	6 Months Ended September 30	As on March 31,		
	2014	2014	2013	2012
	Standalone	Consolidated		
Sources of Funds				
Paid up Share Capital	42.06	42.06	42.06	42.06
Reserves & Surplus (excluding Revaluation Reserves)	743.14	975.34	1,026.96	977.42
Net worth	**785.20**	**1,017.40**	**1,069.02**	**1,019.48**
Secured Loans	1,393.32	3,545.58	3,983.95	3,251.72
Unsecured Loans	350.00	201.01	442.50	325.00
Other Net Liabilities (Note – 1)	-	91.09	26.72	48.28
Total	**2,528.51**	**4,855.08**	**5,522.19**	**4,644.48**
Uses of funds				
Net fixed assets (Note – 2)	323.49	731.59	508.38	395.64
Investments	328.90	205.84	0.77	0.81
Net current assets	1,811.71	3,917.65	5,013.04	4,248.03
Other Net non-current Asset(Note -1)	64.42	-	-	-
Total miscellaneous expenditure not written off	-	-	-	-
Total	**2,528.51**	**4,855.08**	**5,522.19**	**4,644.48**

(In INR, except percentages)

Other Financial Data	6 Months Ended September 30	Financial Year Ended March 31,		
	2014	2014	2013	2012
	Standalone	Consolidated		
Dividend (%)	-	30%	30%	30%
Earnings Per Share (EPS) - Basic and Diluted	(7.56)*	(10.52)	15.29	49.35

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

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 as at and for the financial year ended March 31, 2014, March 31, 2013 and March 31, 2012 and from the limited reviewed standalone financial statements of PAC as at and for the 6 month period ended September 30, 2014.*
4. *The fertilizer business of Zuari Global Limited (erstwhile Zuari Industries Limited) was demerged into PAC with effect from July 1, 2011.*

3.23 Details of contingent liabilities of PAC as on September 30, 2014 is as provided below:

Particulars	Amount (INR Crore)
Custom/Excise Demands	5.26
Sales Tax/ VAT Demands	0.72
Claims by suppliers and Others	1.51
Total	**7.49**
Bank Guarantees	84.03

3.24 The equity shares of PAC are listed on BSE (Scrip ID: ZUARIAGRO, Scrip Code: 534742) and NSE (Symbol: ZUARI, ISIN: INE840M01016). The equity shares of PAC were listed on BSE and NSE on November 27, 2012 pursuant to demerger of the fertilizer business of Zuari Global Limited (erstwhile Zuari Industries Limited) into PAC. The closing price of the equity shares of the PAC as quoted on BSE on April 6, 2015 is Rs. 251.40 and on NSE on April 6, 2015 is Rs. 251.60.

3.25 The PAC 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 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

Relationship between the Acquirer and PAC:

The Acquirer is a wholly-owned subsidiary of PAC.

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.

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. It may be noted that SEBI has allowed the exit of BgSE as a stock exchange vide the exit order dated December 26, 2014. The Equity Shares of the Target Company are frequently traded on BSE and NSE within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations. The Equity Shares of the Target Company are not being traded on the BgSE.

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
Mrs. Ritu Mallya	December 4, 2014	Director
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. Srinivasulu Reddy Magunta	August 7, 2014	Independent Director
Mr. K. Prabhakar Rao	October 27, 2006	Whole-time Director

4.8 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 and limited reviewed financials for the 6 months ended September 30, 2014 are provided below:

All figures in INR crores

Profit & Loss Statement	**6 Months Ended September 30**	**Financial Year Ended March 31,**		
	2014	**2014**	**2013**	**2012**
Income from Operations	1,627.72	3,310.26	2,779.59	3,707.18
Other Income	2.44	4.54	10.45	12.95
Total Income	**1,630.16**	**3,314.81**	**2,790.04**	**3,720.13**
Total Expenditure	**1,523.79**	**3,090.05**	**2,604.81**	**3,511.40**
Profit/(Loss) before Depreciation, Interest & Tax	**106.37**	**224.76**	**185.22**	**208.74**
Interest & Bank Charges	62.97	102.45	86.97	29.11
Depreciation	13.30	28.76	29.01	77.16
Profit/ (Loss) Before Tax	**30.10**	**93.55**	**69.24**	**102.47**
Tax	(2.70)	22.62	2.67	33.37
Profit/ (Loss) After Tax	**32.80**	**70.93**	**66.57**	**69.10**

All figures in INR crores

Balance Sheet	**6 Months Ended September 30**	**As on March 31,**		
	2014	**2014**	**2013**	**2012**
Sources of Funds				

Paid up Share Capital	118.55	118.55	118.55	118.55
Reserves & Surplus (excluding Revaluation Reserves)	468.01	437.23	382.94	333.01
Amount received against Conversion of Warrants	-	-	-	-
Net worth	**665.86**	**555.78**	**501.49**	**451.55**
Secured Loans	663.27	1,434.29	1,142.09	1,181.67
Unsecured Loans	87.38	87.38	87.38	142.38
Other non-current liabilities	125.04	129.66	85.23	77.22
Total	**1,462.25**	**2,207.11**	**1,816.19**	**1,852.82**
Uses of funds				
Net fixed assets (excluding Revaluation Reserves)	564.11	545.87	403.59	407.95
Investments	200.00	200.00	200.00	-
Net current assets	628.91	1,386.28	1,183.42	1,265.16
Other non-current assets	69.23	74.96	29.17	179.71
Total miscellaneous expenditure not written off	-	-	-	-
Total	**1,462.25**	**2,207.11**	**1,816.19**	**1,852.82**

(In INR, except percentages)

Other Financial Data	**6 Months Ended September 30**	**Financial Year Ended March 31,**		
	2014	**2014**	**2013**	**2012**
Dividend (%)	-	12%	12%	12%
Earnings Per Share (EPS) - Basic and Diluted	5.53*	5.99	5.62	5.83
Return on Net worth (%)	11.18%*	12.76%	13.27%	15.30%
Book Value per share	49.48	46.90	42.31	38.10

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

(Source: Letter from the Target Company dated December 16, 2014)

4.10 The shareholding pattern of the Target Company before and after this Offer (considering shareholding information as on April 6, 2015) 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	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
b. Promoters other than (a) above and 2(a) below	2,60,42,896	21.97	Nil	Nil	Nil	Nil	2,60,42,896	21.97
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	1,95,14,211	16.47	Nil	Nil	4,33,29,000	36.56	6,28,43,211	53.03

b. PACs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 2 (a+b)	**1,95,14,211**	**16.47**	**Nil**	**Nil**	**4,33,29,000**	**36.56**	**6,28,43,211**	**53.03**
Total (1 + 2)	**4,55,57,107**	**38.44**	**Nil**	**Nil**	**4,33,29,000**	**36.56**	**8,88,86,107**	**75.00**
(3) Parties to agreement other than(1) (a) & (2)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(4) Public (other than parties to agreement, acquirers & PACs)								
a. FIs/MFs/FIIs/ Banks, SFIs	20,21,626	1.71	Nil	Nil	This will depend on the response from and within each category of (4)			
b. Others	7,09,36,417	59.85	Nil	Nil				
Total (4)(a+b)	**7,29,58,043**	**61.56**	**Nil**	**Nil**	**(4,33,29,000)**	**(36.56)**	**2,96,29,043**	**25.00**
GRAND TOTAL (1+2+3+4)	**11,85,15,150**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**11,85,15,150**	**100.00**

** The Acquirer and the PAC are a part of the promoter/ promoter group of the Target Company.*

4.11 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>

Pursuant to clause 4 of the Government of India (GoI) notification No. 12012/3/2010-FPP dated April 02, 2014 - "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." As per GoI notification no. 12012/3/2010-FPP dated September 03, 2014, urea production was approved for a period upto September 30, 2014. In view of the above, the urea plant of the Target Company has been shut from October 01, 2014.

However, pursuant to the GoI Notification No. 12012/3/2010-FPP dated January 07, 2015, the Target Company has been permitted to start the urea production using existing feedstock Naptha for a period of 100 (one hundred) days from the date of the aforesaid Notification i.e up to April 16, 2015. The Target Company has made representation to the GoI for continued production by using existing feedstock Naphtha and the same is under consideration of GoI.

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 This Offer is a mandatory open offer, being made to the Shareholders of the Target Company pursuant to Regulation 3(1) and 3(3) of the SEBI (SAST) Regulations.

5.1.2 The Equity Shares of the Target Company are listed on BSE, NSE and BgSE. It may be noted that SEBI has allowed the exit of BgSE as a stock exchange vide the exit order dated December 26, 2014.

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 December 1, 2013 to November 30, 2014 i.e. 12

(twelve) calendar months preceding December 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	2,32,82,021	11,85,15,150	19.64%
NSE	4,79,50,990	11,85,15,150	40.46%
BgSE	Trading data is Not Available		

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. The Equity Shares of the Target Company are not being traded on the 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	1,09,04,796
NSE	2,13,94,433

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

5.1.5 The Offer Price of Rs. 91.92 (Rupees Ninety One and Paise Ninety Two 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. 81.60*
(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.	Rs. 81.60
(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. 91.9133
(e)	Per Equity Share value, as required under Regulation 8(5) of the SEBI (SAST) Regulations.	Not Applicable

** The Acquirer acquired 42,424 shares in the open offer made pursuant to the public announcement dated May 12, 2014 at a price of Rs. 81.60 per share, plus interest of INR 1.30 per Equity Share calculated at 10% per annum per Equity Share payable to the successful shareholders for the validly accepted shares due to the delay in payment beyond the scheduled payment date. Other than*

the aforementioned, neither the Acquirer, nor the PAC has acquired any Shares during 52 weeks immediately preceding the date of the Public Announcement.
(Source: Certificate dated December 9, 2014 from M/s. K. J. Sheth & Associates (Chartered Accountants))

It may be noted that in accordance with the directions of SEBI pursuant to its letters dated February 27, 2015 and March 12, 2015 to the Manager 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. 2.12 per Equity 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, May 20, 2015 (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	3-Dec-14	61,691	53.75	87.13
2	2-Dec-14	227,901	200.48	87.97
3	1-Dec-14	1,018,885	953.70	93.60
4	28-Nov-14	32,703	26.81	81.98
5	27-Nov-14	38,903	31.25	80.33
6	26-Nov-14	28,886	23.31	80.70
7	25-Nov-14	48,194	37.88	78.60
8	24-Nov-14	43,622	35.30	80.92
9	21-Nov-14	38,371	31.39	81.81
10	20-Nov-14	34,359	28.78	83.76
11	19-Nov-14	52,131	45.27	86.84
12	18-Nov-14	96,238	84.89	88.21
13	17-Nov-14	720,711	672.82	93.36
14	14-Nov-14	10,345	8.34	80.62
15	13-Nov-14	50,158	40.38	80.51
16	12-Nov-14	34,606	29.02	83.86
17	11-Nov-14	31,529	27.03	85.73
18	10-Nov-14	57,956	50.93	87.88
19	7-Nov-14	51,841	43.08	83.10
20	5-Nov-14	20,239	17.13	84.64
21	3-Nov-14	50,082	42.85	85.56
22	31-Oct-14	66,525	57.24	86.04
23	30-Oct-14	48,951	43.17	88.19
24	29-Oct-14	28,927	25.62	88.57

Sr. No.	Date	Total Traded Quantity of Equity Shares	Total Turnover (in Rs. Lakhs)	Volume weighted average price (in Rs.)
25	28-Oct-14	42,009	36.56	87.03
26	27-Oct-14	73,949	66.72	90.22
27	23-Oct-14	14,402	12.80	88.88
28	22-Oct-14	116,119	105.35	90.73
29	21-Oct-14	71,736	64.35	89.70
30	20-Oct-14	646,633	612.56	94.73
31	17-Oct-14	1,518,689	1,432.45	94.32
32	16-Oct-14	1,110,692	1,044.66	94.05
33	14-Oct-14	874,994	830.10	94.87
34	13-Oct-14	1,106,087	1,051.05	95.02
35	10-Oct-14	129,654	122.54	94.51
36	9-Oct-14	274,057	261.31	95.35
37	8-Oct-14	957,706	966.45	100.91
38	7-Oct-14	1,246,919	1,285.20	103.07
39	1-Oct-14	1,234,590	1,256.73	101.79
40	30-Sep-14	1,121,634	1,086.57	96.87
41	29-Sep-14	3,726,697	3,496.54	93.82
42	26-Sep-14	1,682,406	1,456.91	86.60
43	25-Sep-14	264,364	195.46	73.94
44	24-Sep-14	187,148	141.07	75.38
45	23-Sep-14	379,016	290.72	76.70
46	22-Sep-14	408,768	311.79	76.28
47	19-Sep-14	65,010	47.38	72.88
48	18-Sep-14	68,713	49.64	72.24
49	17-Sep-14	130,603	94.01	71.98
50	16-Sep-14	320,413	228.71	71.38
51	15-Sep-14	36,270	25.13	69.29
52	12-Sep-14	73,601	51.30	69.70
53	11-Sep-14	109,509	77.09	70.40
54	10-Sep-14	26,137	18.00	68.87
55	9-Sep-14	82,516	57.53	69.72
56	8-Sep-14	32,345	22.22	68.70
57	5-Sep-14	87,811	60.30	68.67
58	4-Sep-14	51,925	36.17	69.66
59	3-Sep-14	175,257	122.81	70.07
60	2-Sep-14	52,300	35.72	68.30
Total		**21,394,433**	**19,664**	
Volume Weighted Average Market Price (Total turnover divided by total traded Equity Shares)				**91.9133**

(*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 Manager to the Offer, the Offer Price of Rs. 91.92 (Rupees Ninety One and Paise Ninety Two only) 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 SEBI pursuant to its letters dated February 27, 2015 and March 12, 2015 to the Manager 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. 2.12 per Equity 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, May 20, 2015 (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. Any upward revision in the Offer Price and/or Offer Size may be done at any time prior to the commencement of the last 3 (three) working days before the date of commencement of the Tendering Period i.e. by Wednesday, April 15, 2015 and will be notified to Shareholders by way of a public announcement on Thursday, April 16, 2015, in the same newspapers where the DPS was published.

5.1.10 Revisions in the Offer Price for any reason whatsoever including competing offers shall be done prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period and will be notified to the Shareholders by (i) notification to the Stock Exchanges, SEBI and the Target Company at its registered office, and (ii) public announcement in the same newspapers in which the DPS and the Revised DPS has been published. Further, in the event of such revision, the Acquirer and/or 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/or PAC shall not acquire any Equity Shares of the Target Company 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 /or the PAC acquire any Equity Shares during the period of 26 (twenty-six) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer and/ or 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 60 (sixty) 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. 398,28,01,680 (Rupees Three Hundred and Ninety Eight Crore, Twenty Eight Lakh, One Thousand, Six Hundred and Eighty only), 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, from its available / arranged domestic funds through infusion of share capital and / or extension of loan and / or inter-corporate deposits to the Acquirer.

5.2.3 The Acquirer has furnished unconditional, irrevocable and on demand bank guarantees dated December 9, 2014 from HDFC Bank Limited having bank guarantee no: 059GT01143430002 for an amount of INR 70,55,00,000 (Rupees Seventy Crores Fifty Five Lacs only) and dated December 30, 2014 from The Ratnakar Bank Limited, having bank guarantee no: FBGI01001400187 for an amount of INR 30,00,00,000 (Rupees Thirty Crore only), which was further enhanced via amendments dated February 21, 2015 and April 6, 2015, in order to provide for the interest portion to be paid to the successful Shareholders, whose Shares are validly tendered and accepted in the Offer (the "**Bank Guarantees**"), in favour of the Manager to the Offer 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 Manager to the Offer has been duly authorised to realize the value of the Bank Guarantees in terms of the SEBI (SAST) Regulations. The Bank Guarantees were originally valid till April 15, 2015. However, the Acquirer has now extended the validity of the bank guarantee no: 059GT01143430002 issued by HDFC Bank Limited from April 15, 2015 to June 30, 2015 (via amendments dated April 4, 2015 and April 7, 2015) and the validity of the bank guarantee no: FBGI01001400187 issued by The Ratnakar Bank Limited from April 15, 2015 (via amendments dated February 21, 2015 and April 6, 2015) to June 30, 2015, which is more than 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 (Last date for making payment to the successful Shareholders who have validly tendered their shares in the Open Offer is Wednesday, May 20, 2015).

5.2.4 Further, the Acquirer and the Manager to the Offer have, entered into an escrow agreement dated December 9, 2014 with HDFC Bank Limited acting through its branch at Manekji Wadia Building, Ground Floor, Nanik Motwani Marg, Fort, Mumbai – 400 001, in terms of which the Acquirer has opened a cash Escrow Account with the Escrow Bank. The Acquirer had deposited a sum of INR 2,83,00,000 (Rupees Two Crore Eighty Three Lakhs) on December 9, 2014, a sum of INR 1,17,00,000 (Rupees One Crore Seventeen Lakhs) on December 30, 2014, a sum of INR

5,00,000 (Rupees Five Lakhs) on February 23, 2015 and a sum of INR 5,00,000 (Rupees Five Lakhs) on April 6, 2015 (collectively amounting to INR 4,10,00,000 (Rupees Four Crores and Ten Lakhs)) 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). The amount lying in the Escrow Account has been increased after December 09, 2015 in order to provide for the revisions made in the offer size and the interest portion to be paid to the successful Shareholders, whose Shares are validly tendered and accepted in the Offer. The Manager to the Offer has been authorized by the Acquirer to operate and realize the monies lying to the credit of the Escrow Account in terms of the SEBI (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 December 30, 2014, certified on the basis of their examination of the financial accounts of the Acquirer and PAC, 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 Manager to the Offer is satisfied that firm financial arrangements through verifiable means have been put in place by the Acquirer to fulfill the payment obligations of the Acquirer and PAC 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 Monday, April 06, 2015 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 Monday, April 06, 2015, 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. Wednesday, May 06, 2015 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 4,33,29,000 (Four Crore, Thirty Three Lakh, Twenty Nine Thousand) Equity Shares, representing 36.56% (Thirty Six point Five Six Per Cent) of the Voting Share Capital, subject to the terms and conditions mentioned in the PA, the DPS, the Revised DPS and this 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 not a competing offer under 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 competing offers shall be done prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period and will be notified to the Shareholders by (i) notification to the Stock Exchanges, SEBI and the Target Company at its registered office, and (ii) public announcement in the same newspapers in which the DPS and the Revised DPS has been published. 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 SEBI pursuant to its letters dated February 27, 2015 and March 12, 2015 to the Manager 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.

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 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.

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 Wednesday, May 06, 2015**, 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 Manager 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, the DPS, the Revised DPS and this 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 CCI, pursuant to a letter dated March 27, 2015, as received by the Acquirer on March 31, 2015, has communicated that it has granted its approval to the Acquirer and the PAC for the proposed Open Offer for acquisition of Equity Shares of the Target Company. However, in line with its current practice, the order of the CCI in this regard is to follow.

6.16.2 As of the date of this LoF, to the best of the knowledge of the Acquirer and/or the PAC, there are no statutory approvals required by the Acquirer and/or the PAC to complete this Offer other than as set out in 6.16.1 above. 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 this 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, if required, 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 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 wilful 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 Manager 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 the DPS and the Revised DPS is 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 this 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 this 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 Manager to the Offer, the Acquirer, and the PAC reserve the right to reject the acceptance of the Offer by such Shareholder.

7.2 This 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 this 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 Tuesday, April 21, 2015 and shall remain open till Wednesday, May 06, 2015. The Shareholders can also download this 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 Wednesday, May 06, 2015, 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	Mr. Prashant Sanil	Cameo Corporate Services Ltd , 3rd Floor, 304, Sai Sadan, 76-78 Mody Street, Fort, Mumbai - 400 001	022 22644325	022 22644325	prashant@cameoindia.com	Hand Delivery
2.	Bangalore	Mr. Janardhana	Cameo Corporate Services Ltd , No.9., KRV Tower, 4th	9740266722	-	janardhana@cameoindia.com	Hand

			Floor, T C Palya Main Road, Akshaya Nagar, Near Rammurthy Nagar, (Above SBI, Akshay Nagar branch), Bangalore - 560 016				Delivery
3.	Kolkata	Mr. Patit Paban Bishwal	Cameo Corporate Services Ltd, C/o BPD Consultants Pvt Ltd., 50, Weston Street, 1st Floor, Room No.105, Kolkata - 700 012	033 - 40036051 / 9830573647	-	bpdkolkata@gmail.com, ppbishwal@gmail.com	Hand Delivery
4.	Ahmedabad	Mr. M. Bala Subramaniam	Cameo Corporate Services Ltd, C/o Shree Vidhya Consultancy, No.4, II Floor, Prasiddhi Complex - 1, Opp.: Ambedkar Hall, Saraspur, Ahmedabad - 380018	079 – 22920024 / 9327055153	-	bhavani0811@gmail.com	Hand Delivery
5.	New Delhi	Mr. R Sridhar	Cameo Corporate Services Ltd, C/o Sterling Services, F-63 1st Floor, Bhagat Singh Market, Near gole Market, Opp Jain Bhawan, New Delhi - 110 001	011 4353 3256 / 9312546905	-	sterlingincorporation@gmail.com	Hand Delivery
6.	Chennai	Ms. Sreepriya. K	Cameo Corporate Services Ltd, Subramanian Building, No.1, Club House Road, Chennai - 600 002	044 - 28460 390	044 - 2846 1989	mcfl.openoffer@cameoindia.com	Post and Hand delivery
7.	Mangalore	Mr. Dinesh	Cameo Corporate Services Ltd, Sona Palace, 1st Floor, # 1-N-4-261/1 Near Infosys, Kottara Junction Bus Stop Mangalore – 575 006	9844489615 & 8147587338	-	mangalore@cameoindia.com	Hand Delivery
8	Pune	Mr. Nishikant Hiray	Cameo Corporate Services Limited, C/o. Make in India Advisory Services Pvt Ltd (Formerly known as Kanj Corporate Consultants Private Limited), 1-2, Aishwarya Sankul, Opposite Joshi Railway Museum, G. A. Kulkarni Path, Kothrud, Pune 411038	020-25461561, 020-25466265	020-25461561	nishikant.hiray@kanjcs.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 Manager 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: Cameo Corporate Services Ltd, Subramanian Building, No.1, Club House Road, Chennai - 600 002; Contact Person: Ms.

Sreepriya K., so as to reach the Registrar to the Offer on or before 17:00 hours on Wednesday, May 06, 2015, i.e. Closure of the Tendering Period.

7.8 Shareholders who are holding Equity Shares in physical form:

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 **Shareholders who are holding Equity Shares in dematerialized form:**

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 Stock Holding Corporation Of India Limited called **"Cameo Corporate Services Ltd Escrow A/c MCFL Open Offer"**. 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	Stock Holding Corporation Of India Limited
DP ID	IN301080
Client ID	22847941

Account Name	Cameo Corporate Services Ltd Escrow A/c MCFL Open Offer
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 Wednesday, May 06, 2015 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 Wednesday, May 06, 2015, 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.

7.10.3 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 Wednesday, May 06, 2015 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 Wednesday, May 06, 2015, 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 Wednesday, May 06, 2015.

7.11 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.

7.12 In case of non-receipt of this 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 Wednesday, May 06, 2015, 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 Wednesday, May 06, 2015, 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 Wednesday, May 06, 2015, i.e. Closure of the Tendering Period, else their application would be rejected.

7.13 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.

7.14 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.

7.15 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 Manager 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.

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

7.17 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.

7.18 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.

7.19 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.

7.20 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.

7.21 Compliance with tax requirements:

General

(a) As per the provisions of Section 195(1) / Section 196D of the Income Tax Act, 1961 ("**Income Tax Act**"), as amended by the Finance (No. 2) Act, 2014, any person responsible for paying to a non-resident, other than to an FII (including its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014, 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 Shareholders whose Equity Shares are validly accepted in this 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 Shareholders (other than to an FII (including its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014).

(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 wilful 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 Bill, 2015 (as proposed), a body corporate responsible for paying to residents and non-residents (including FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014)) 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 FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign

Portfolio Investors) Regulations, 2014) 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 Shareholders, such 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, FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014 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 (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any shareholder other than an individual (iii) Tax identification number / unique number by which the shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'.

(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.

<u>For Foreign Institutional Investors ("FII") / Foreign Protfolio Investors (FPI) (in respect of the consideration payable under the Open Offer):</u>

(l) In view of the recent change in the definition of 'Capital Asset' provided in section 2 (14) of the Income Tax Act, shares held by all FII (and their sub – account) or FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014 are to be treated as 'Capital Asset'. 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 (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014 from the transfer of securities as per the provisions of section 196 D (2) of the Income Tax Act.

<u>Tax to be deducted in case of resident Shareholders</u>

(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 (and its sub – account) / or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014):
    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, and claiming concessional rate of TDS u/s. 115E, 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

    In addition, such shareholder will also be required to provide (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any shareholder other than an individual (iii) Tax identification number / unique number by which the shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'

2. Documents required from FIIs (and its sub – account) / or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014):

    a. Self Attested copy of PAN Card
    b. Self Attested copy of SEBI Registration Certificate as FII (including sub–account of FII) / or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014)
    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 (including sub–account of FII) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014) claiming any benefit under a DTAA (applicable only for the interest payment, if any)

    In addition, FIIs (including sub–account of FII) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014) will also be required to provide (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any shareholder other than an individual (iii) Tax identification number / unique number by which the shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate' (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), as applicable only for 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 Manager 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 office of the Manager to the Offer: 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 December 30, 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 have adequate and firm financial resources to meet their financial obligations under this Offer

4. Letter dated December 9, 2014 from the Escrow Bank confirming the amount kept in the Escrow Account and a lien in favor of the Manager to the Offer and statement of Escrow Account for the period from December 1, 2014 to April 6, 2015

5. Bank Guarantees dated December 9, 2014 having bank guarantee number 059GT01143430002, dated December 30, 2014 having bank guarantee number FBGI01001400187, the amendments to bank guarantee number 059GT01143430002, dated April 4, 2015 and April 7, 2015; and the amendments to bank guarantee number FBGI01001400187 dated February 21, 2015 and April 06, 2015

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

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

8. Copy of Public Announcement dated December 4, 2014, the published copy of Detailed Public Statement published on December 11, 2014, the published copy of the Offer Size Revision Corrigendum published on December 31, 2014 and the published copy of the Revised DPS published on February 6, 2015

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

10. Published copy of the recommendation 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

11. Letter from SEBI dated February 27, 2015 giving its observations on the Draft Letter of Offer, and its subsequent letter dated March 12, 2015

12. Agreement dated December 8, 2014 entered into with the Depository Participant for opening a special depository account for the purpose of the Offer

13. Order dated September 4, 2014 issued by the Competition Commission of India

14. Letter dated March 27, 2015 issued by the Competition Commission of India approving the Offer, as received by the Acquirer on March 31, 2015

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 or provided or confirmed by the Target Company) 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
Sd/-	Sd/-
Authorised Signatory	**Authorised Signatory**

Place: Mumbai
Date: April 8, 2015

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

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INSTRUCTIONS

1. PLEASE NOTE THAT NO EQUITY SHARES/FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE PAC, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER.
2. The Form of Acceptance-cum-Acknowledgement should be filled-up in English only.
3. Please read the Letter of Offer accompanying this Form of Acceptance-cum-Acknowledgement carefully before filling up this Form of Acceptance-cum-Acknowledgement.
4. The acceptance of the Offer is entirely up to the discretion of the Shareholders. Each Shareholder to whom this Offer is being made is free to offer his/ her Equity Shares in whole or in part while accepting the Offer.
5. In the case of dematerialized Equity Shares, the Shareholders are advised to ensure that their Equity Shares are credited in favour of the Depository Escrow Account, before the closure of the Tendering Period i.e. **Wednesday, May 06, 2015.** The Form of Acceptance-cum-Acknowledgement of such dematerialized Equity Shares not credited in favour of the Depository Escrow Account, before the closure of the Tendering Period will be rejected.
6. Shareholders should enclose the following:

   a. For Equity Shares held in demat form:

   Beneficial owners should enclose:

   - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the Depository Participant (“DP”).
   - Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
   - Photocopy of the Inter-Depository Delivery Instruction Slip if the beneficiary holders have an account with Central Depository Services Ltd.
   - A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable
   - For each Delivery Instruction, the beneficial owners should submit separate Form of Acceptance-cum-Acknowledgement.

   In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by such Shareholder in case of a resident Shareholder

   b. For Equity Shares held in physical form:

   Registered Shareholders should enclose:

   - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the share certificates.
   - Original share certificate(s)
   - Cancelled cheque or a photocopy of a cheque associated with the particular bank account where payment is desired, with MICR / IFSC code of the bank branch clearly mentioned on the cheque, if payment of consideration through ECS is required
   - A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable
   - Valid share transfer deed(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Mangalore Chemicals & Fertilizers Limited and duly witnessed at the appropriate place. A blank share transfer deed is enclosed along with the Letter of Offer.
     - Verification and attestation, where required, (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 No. or a manager of the transferor’s bank.
     - The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

   If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid share transfer deed from a registered Shareholder, then the Acquirer may deem the Offer to have been accepted by such Shareholders in case of a resident Shareholder.

   Unregistered owners should enclose-

   - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
   - Original share certificate(s)
   - Original broker contract note

- Valid share transfer deed(s) as received from the market leaving details of buyer blank. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance. If the same is filled in then the Equity Share(s) are liable to be rejected
- Owners of Equity Shares who have sent their Equity Shares for transfer should enclose along with this Form duly completed and signed, copy of the letter sent to Mangalore Chemicals & Fertilizers Limited for transfer of Equity Shares and valid share transfer deed(s).
- Self attested copy of PAN card
- Verification and attestation, where required, (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 No. or a manager of the transferor's bank.
- In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form of Acceptance-cum-Acknowledgement shall be accompanied by the acknowledgment of lodgement with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s).

7. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement and in the transfer deed(s) as the order in which they hold Equity Shares in Mangalore Chemicals & Fertilizers Limited, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
8. All the Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
    - Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder) in case the original Shareholder is dead.
    - Duly attested power of attorney if any person apart from the Shareholder has signed the Form of Acceptance-cum-Acknowledgement and / or transfer deed(s).
9. All the Shareholders are advised to refer to paragraph 7.21 - **Compliance with tax requirements** in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration / interest component to be received by them.
10. The share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer, the PAC or the Target Company.
11. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their Equity Shares in favour of the Depository Escrow Account with NSDL.
12. While tendering the Equity Shares under the Offer, NRIs/ OCBs/ foreign Shareholders will be required to submit the RBI and / or FIPB approvals (specific or general) that they would have obtained for acquiring the Equity Shares of the Target Company. If the Equity Shares are held pursuant to a general permission of RBI, the Non-Resident Shareholder should submit a copy of the relevant notification / circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered.

    NRI Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a repatriable basis (in which case the consideration can be remitted abroad) should (i) provide relevant proof of such holding on a repatriable basis viz. RBI approval (if applicable) or proof that such Equity Shares were purchased from funds from an Non-resident (External) ("NRE") bank account or by way of foreign inward remittance; and (ii) furnish details of the type of the relevant bank account, i.e. NRE bank account, to which the consideration should be credited.

    NRI Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a non-repatriable basis should provide details of their Non-Resident (Ordinary) ("NRO") bank account, based on which the consideration cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that details of an NRO bank account are not furnished, the Equity Shares tendered by such NRI Shareholders would be rejected. Alternatively, if such an NRI Shareholder wishes to receive the consideration in an NRE bank account, such NRI Shareholder should provide a specific RBI approval permitting consideration to be credited to such bank account, based on which the consideration cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that such a specific RBI approval and the details of such designated bank account are not furnished, the Equity Shares tendered by such NRI Shareholders would be rejected.
13. FIIs/FPIs are requested to enclose the SEBI Registration Certificate. In case of a company, a stamp of the company should be affixed on the Form of Acceptance-cum-Acknowledgement. A company / FII / FPI / OCB should furnish necessary authorization documents along with Specimen Signatures of Authorised Signatories.
14. 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. Equity Shares held in dematerialised form to the extent not accepted will be credited back to the same account from which they were tendered. 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. All documents / remittances sent by or to Shareholders will be at their own risk. Shareholders are advised to adequately safeguard their interests in this regard.

15. Neither the Acquirer, the PAC, the Manager to the Offer nor the Registrar to the Offer will be liable for any delay / loss in transit resulting in delayed receipt / non-receipt by the Registrar to the Offer of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit your Equity Shares to the Depository Escrow Account or submission of original physical Share certificates with inaccurate / incomplete particulars / instructions on your part, or for any other reason.
16. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the collection centres of **Cameo Corporate Services Limited** as mentioned below.
17. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach any of the collection centres of the Registrar to the Offer, mentioned below on all days (excluding Saturdays, Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10:30 to 17:00) on or before Wednesday, May 06, 2015, i.e. closure of the Tendering Period.
18. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
19. In case the Acquirer / PAC is of the view that the information / documents provided by the Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the maximum applicable marginal rate on the entire consideration paid to the Shareholders.
20. <u>Payment of Consideration</u>: Shareholders must note that on the basis of name of the Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Offer will obtain from the Depositories, the Shareholder's details including address, bank account and branch details. These bank account details will be used to make payment to the Shareholders. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the sole risk of the Shareholders and neither the Acquirer, the PAC, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Shareholders for any loss caused to the Shareholders due to any such delay or liable to pay any interest for such delay. Physical Shareholders are requested to fill up their bank account details in the 'Form of Acceptance-cum-Acknowledgement'.

The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns.

All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC, the Manager to the Offer and the Registrar to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The tax rates and other provisions may undergo changes.

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER I.E. 17:00 HOURS ON WEDNESDAY, MAY 06, 2015 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE WILL BE REJECTED.

Collection Centres

S. No.	City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
1.	Mumbai	Mr. Prashant Sanil	Cameo Corporate Services Ltd , 3rd Floor, 304, Sai Sadan, 76-78 Mody Street, Fort, Mumbai - 400 001	022 22644325	022 22644325	prashant@cameoindia.com	Hand Delivery
2.	Bangalore	Mr. Janardhana	Cameo Corporate Services Ltd , No.9., KRV Tower, 4th Floor, T C Palya Main Road, Akshaya Nagar, Near Rammurthy Nagar, (Above SBI, Akshay Nagar branch), Bangalore - 560 016	9740266722	-	janardhana@cameoindia.com	Hand Delivery
3.	Kolkata	Mr. Patit Paban Bishwal	Cameo Corporate Services Ltd, C/o BPD Consultants Pvt Ltd., 50, Weston Street, 1st Floor, Room No.105, Kolkata - 700 012	033 - 40036051 / 9830573647	-	bpdkolkata@gmail.com, ppbishwal@gmail.com	Hand Delivery
4.	Ahmedabad	Mr. M. Bala Subramaniam	Cameo Corporate Services Ltd, C/o Shree Vidhya Consultancy, No.4, II Floor, Prasiddhi Complex - 1, Opp.: Ambedkar Hall, Saraspur, Ahmedabad - 380018	079 – 22920024 / 9327055153	-	bhavani0811@gmail.com	Hand Delivery
5.	New Delhi	Mr. R Sridhar	Cameo Corporate Services Ltd, C/o Sterling Services, F-63 1st Floor, Bhagat Singh Market, Near gole Market, Opp Jain Bhawan, New Delhi - 110 001	011 4353 3256 / 9312546905	-	sterlingincorporation@gmail.com	Hand Delivery
6.	Chennai	Ms. Sreepriya.K	Cameo Corporate Services Ltd, Subramanian Building, No.1, Club House Road, Chennai - 600 002	044 - 28460 390	044 - 2846 1989	mcfl.openoffer@cameoindia.com	Post and Hand delivery
7.	Mangalore	Mr. Dinesh	Cameo Corporate Services Ltd, Sona Palace, 1st Floor, # 1-N-4-261/1 Near Infosys, Kottara Junction Bus Stop Mangalore – 575 006	9844489615 & 8147587338	-	mangalore@cameoindia.com	Hand Delivery
8	Pune	Mr. Nishikant Hiray	Cameo Corporate Services Limited, C/o. Make in India Advisory Services Pvt Ltd (Formerly known as Kanj Corporate Consultants Private Limited), 1-2, Aishwarya Sankul, Opposite Joshi Railway Museum, G. A. Kulkarni Path, Kothrud, Pune 411038	020-25461561, 020- 25466265	020-25461561	nishikant.hiray@kanjcs.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

Applicants who cannot hand deliver their documents at any of the Collection Centres, may send their documents by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: Cameo Corporate Services Ltd, Subramanian Building, No.1, Club House Road, Chennai - 600 002; Contact Person: Ms. Sreepriya K., so as to reach the Registrar to the Offer on or before 17:00 hours on Wednesday, May 06, 2015, i.e. Closure of the Tendering Period**.**

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to Cameo Corporate Services Limited at any of the collection centres mentioned in the Letter of Offer)

Name:
Address:

TENDERING PERIOD FOR THE OFFER	
OPENS ON	**TUESDAY, APRIL 21, 2015**
CLOSES ON	**WEDNESDAY, MAY 06, 2015**

Tel No.: **Fax No.:** **Email:**

To,	**Status of the Shareholder (Please tick whichever is applicable)**			
The Acquirer – ZUARI FERTILISERS AND CHEMICALS LIMITED	☐ Individual	☐ Domestic Company	☐ Banks	☐ FVCI
Unit: **Mangalore Chemicals & Fertilizers Limited – Open Offer**	☐ Partnership / Proprietorship firm / LLP	☐ Private Equity Fund	☐ Pension/ Provident Fund	☐ Sovereign Wealth Fund
C/o Cameo Corporate Services Limited Subramanian Building,	☐ Foreign Trust	☐ Financial Institution	☐ NRIs / PIOs	☐ Insurance Company
No.1 Club House Road, Chennai 600 002 Contact Person: Ms. Sreepriya K. Tel: +91-44-28460390; Fax: +91-44-28460129	☐ Foreign Company	☐ FII (constituted as a company)	☐ FII (constituted as a trust)	☐ Mutual Fund (referred in section 10 (23D) of Income Tax Act
E-mail: mcfl.openoffer@cameoindia.com	☐ OCB	☐ Domestic Trust	☐ Others _______________	

Dear Sir/Madam,

Sub: Open offer ("Offer") for acquisition of up to 4,33,29,000 fully paid-up equity shares of face value of Rs. 10 (Rupees Ten) each ("Equity Share") from the public shareholders of Mangalore Chemicals & Fertilizers Limited ("Target Company") by Zuari Fertilisers and Chemicals Limited ("Acquirer") along with Zuari Agro Chemicals Limited ("PAC") at a price of Rs. 91.92 per Equity Share plus interest @ 10% per annum per Equity Share for any delay in payment beyond the Scheduled Payment Date, payable in cash.

I/We refer to the Letter of Offer dated April 8, 2015 for acquiring the Equity Shares held by me/us in **Mangalore Chemicals & Fertilizers Limited**.

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement, the Revised Detailed Public Statement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

FOR EQUITY SHARES HELD IN PHYSICAL FORM

I/We, holding the Equity Shares in physical form, accept the Offer and enclose the original share certificate(s) and duly signed share transfer deed(s) in respect of my/our Equity Shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
Total No. of Equity Shares					

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

FOR EQUITY SHARES HELD IN DEMAT FORM

I/We, holding the Equity Shares in dematerialized form, accept the Offer and enclose a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by my/our DP in respect of my/our Equity Shares as detailed below : **{ISIN of Mangalore Chemicals & Fertilizers Limited: INE558B01017}**

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

I/We have executed an off-market transaction for crediting the Equity Shares to the Depository Escrow Account with Stock Holding Corporation Of India Limited as the DP in NSDL styled "Cameo Corporate Services Ltd Escrow A/c MCFL Open Offer" whose particulars are:

DP Name: Stock Holding Corporation Of India Limited	DP ID: IN301080	Client ID: 22847941

Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Equity Shares in favour of the Depository Escrow Account with NSDL.

I/We confirm that the Equity Shares of Mangalore Chemicals & Fertilizers Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I / We confirm that there are no tax or other claims pending against me/us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961. I / We are not debarred from dealing in Equity Shares.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, I / we will indemnify the Acquirer and the PAC for such income tax demand (including interest, penalty, etc.) and provide the Acquirer and the PAC with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer pays the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

I/We authorize the Acquirer or the Registrar to the Offer to send by Speed Post/Registered Post/ or through electronic mode, as may be applicable, at my/our risk, the crossed account payee cheque, demand draft/pay order, or electronic transfer of funds in full and final settlement due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned above.

I/We note and understand that the Equity Shares would lie in the Depository Escrow Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer. I/We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer to return to me/us, share certificate(s) in respect of and/or credit my/our demat account with, the Equity Shares, in respect of which the Offer is not found valid/not accepted.

I/We authorize the Acquirer to split / consolidate the share certificates comprising the Equity Shares that are not acquired and are to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER, i.e. 17:00 HOURS ON WEDNESDAY, MAY 06, 2015 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE WILL BE REJECTED.

So as to avoid fraudulent encashment in transit, Shareholder(s) holding **Equity Shares in physical form** and those who wish to receive payment of consideration through ECS should provide details of bank account along with a cancelled copy of the cheque of the first/sole Shareholder and the consideration amount will be remitted accordingly through electronic credit / cheque or demand draft.

Name of the Bank ____ Branch ________________________________ City ________________________________
MICR Code (9 Digits) ____ IFSC ____
Account Number (CBS Account): ____ Account Type (CA/SB/NRE/NRO/others) (please specify): ________________
Non Resident Shareholders are requested to state their NRO/NRE Bank Account Number as applicable based on the status of their account in which they hold Equity Shares, failing which the Acquirer / PAC has a right to reject their application.

For Equity Shares that are tendered in electronic form, the bank account details as obtained from the beneficiary position provided by the depository will be considered, and the consideration amount will be remitted accordingly through electronic credit / cheque or demand draft.

<u>For all Shareholders</u>

I / We, confirm that our residential status for the purposes of tax is:

☐ Resident ☐ Non-resident, If yes, please state country of tax residency ________________

I / We, confirm that our status is:

☐ Individual ☐ HUF ☐ Firm ☐ Company ☐ Association of persons / body of individuals ☐ Trust

☐ Any other - please specify ____________________

I / We, have enclosed the following all documents:

☐ Cancelled cheque or a photocopy of a cheque associated with the particular bank account where payment is desired, with MICR / IFSC code of the bank branch clearly mentioned on the cheque, if payment of consideration through ECS is required

☐ Self attested copy of PAN card

☐ Duly attested Power of Attorney if any person apart from the Shareholder has signed the application form and/or transfer deed(s)

☐ Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories

☐ Death Certificate/ Succession Certificate if the original Shareholder is deceased

<u>Additional confirmations and enclosures for resident Shareholders (applicable only for interest payment)</u>

I / We, have enclosed the following documents:

☐ Self declaration form in Form 15G / Form 15H, if applicable, to be obtained in duplicate copy in case of individuals or any other person not being a company or a firm where the payment exceeds Rs. 5,000

☐ Certificate u/s. 197, if any, for company and firms where the payment exceeds Rs. 5,000

☐ For Mutual funds / Banks / Notified Institutions under Section 194A(3)(iii) of the Income Tax Act, 1961, copy of relevant registration or notification

If the interest payment amount exceeds Rs. 5,000, TDS will be deducted on the same at applicable rates

<u>Additional confirmations and enclosures for FII / FPI Shareholders</u>

I / We, have enclosed self attested copies of the following documents (select whichever is applicable):

☐ SEBI Registration Certificate for FIIs (including sub – account) / FPIs ☐ RBI approval for acquiring Equity Shares of Mangalore Chemicals & Fertilizers Limited tendered herein, if applicable

☐ Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident (containing the particulars as prescribed under the Income Tax Act, 1961), if any (applicable for interest payment)

☐ Declaration as contained in Form 10 F to the Income Tax Rules, 1962 to the extent the information prescribed therein is not mentioned in the Tax Residency Certificate, if any (applicable for interest payment)

☐ Certificate u/s. 197, for deduction of tax at a lower or nil rate, if any (applicable for interest payment)

<u>Additional confirmations and enclosures for other Non-resident Shareholders (except FIIs / FPIs)</u>

I / We, confirm that the Equity Shares tendered by me / us are held on (select whichever is applicable):

☐ Repatriable basis ☐ Non-repatriable basis

I / We, confirm that the tax on account of Equity Shares of Target Company held by me / us is to be deducted on (select whichever is applicable):

☐ Long Term Capital Gains (held for more than twelve months) ☐ Short Term Capital Gains (held for twelve months or less)

☐ Trade Account ☐ Any other (please specify) _______________

☐ I / We do not have any business connection / Permanent Establishment in India (in case the nature of gains arising from the sale of Equity Shares is not Capital Gains)

In case the gains arising from the sale of Equity Shares are not in the nature of capital gains, kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, 1961, specifying the rate at which tax shall be deducted. In the absence of the above certificate, tax would be deducted at the maximum marginal rate on the entire consideration paid.

The Shareholders are also required to disclose all relevant details (like amount of deduction, manner of deduction and depositing tax etc.) in the event there is any other withholding tax obligation on the Acquirer in any other country on the Sale of Equity Shares by the Shareholders.

Declaration for treaty benefits (please tick the box if applicable):

☐ I / We confirm that there I / we is / are tax resident/s of ___________________________ and satisfy all conditions to claim benefits under DTAA entered into by India and the country of which I am / we are tax resident/s.

(Note: If this box is not ticked, tax will be deducted without considering treaty benefits at the maximum marginal rate applicable)

In order to avail benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a tax residence certificate stating that you are a tax resident of your country of residence / incorporation in terms of the DTAA entered into between India and your country of residence, along with From No: 10F duly filled with information on (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any Eligible Shareholder other than an individual (iii) Tax identification number / unique number by which the Eligible Shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the Eligible Shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'

In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted failing which tax will be deducted at the maximum marginal rate.

I/ We, have enclosed the following documents (select whichever is applicable):

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

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

☐ Document in the form of either (a) extract of relevant pages of demat account or (b) bank certificate 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, applicable in the case of an individual Eligible Shareholder, who is either an Indian Citizen or a Person of Indian Origin, and claiming concessional rate of TDS u/s. 115E

☐ Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident (containing the particulars as prescribed under the Income Tax Act, 1961)

☐ Declaration as contained in Form 10 F to the Income Tax Rules, 1962, to the extent the information prescribed therein is not mentioned in the Tax Residency Certificate

☐ Certificate u/s. 197 for deduction of tax at a lower or nil rate, if any.

☐ Copy of RBI / FIPB approval, if any, for acquiring Equity Shares of Target Company hereby tendered in the Offer and RBI approval evidencing the nature of shareholding, *i.e.* repatriable or non-repatriable basis, if applicable

☐ Copy of RBI approval for OCBs tendering their Equity Shares in the Offer

☐ Copy of RBI approval (For NRI Shareholders tendering their Equity Shares in the Offer held on a non-repatriable basis) if any, permitting consideration to be credited to an NRE bank account

I / we confirm that in case the Acquirer / PAC is of the view that the information /documents provided by the shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the maximum marginal rate on the entire consideration paid to the shareholders.

Yours faithfully, Signed and Delivered,

	Full name(s) of the holder	PAN	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the Company seal should be affixed and necessary Board resolutions should be attached.

Place: ____ Date: ______________________

---Tear along this line ---

Acknowledgement Slip (To be filled in by the shareholder) **Mangalore Chemicals & Fertilizers Limited – Open Offer** **Sr. No. _______________**

Received from Mr./Ms./M/s.____

Address ____

Physical shares: Folio No. ______________________________ / Demat shares: DP ID _______________________________; Client ID__________________________________

Form of Acceptance-cum-Acknowledgement along with (Please put tick mark in the box whichever is applicable):

☐ Physical shares: No. of shares _________________; No. of certificates enclosed_______________; Share Transfer Form

☐ Demat shares: Copy of delivery instruction for _______________ shares enclosed; and copy of inter-depository delivery slip (for beneficiary holders maintaining an account with CDSL).

Date of Receipt _______________________________ Signature of Official ________________________________

Collection Centre Stamp

--- Tear along this line --

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

Unit: Mangalore Chemicals & Fertilizers Limited – Open Offer
C/o Cameo Corporate Services Limited
Subramanian Building,
No.1 Club House Road, Chennai 600 002
Contact Person: Ms. Sreepriya K.
Tel: +91-44-28460390; Fax: +91-44-28460129
E-mail: mcfl.openoffer@cameoindia.com