POST OPEN OFFER REPORT

IN RESPECT OF THE OPEN OFFER MADE BY ZUARI FERTILISERS AND CHEMICALS LIMITED ("ACQUIRER") TOGETHER WITH ZUARI AGRO CHEMICALS LIMITED ("PAC") TO ACQUIRE SHARES OF MANGALORE CHEMICALS & FERTILIZERS LIMITED ("TARGET COMPANY")

*Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Letter of Offer dated April 8, 2015 ("**LOF**")*

A) Names of the parties involved

1	Target Company (TC)	Mangalore Chemicals & Fertilizers Limited
2	Acquirer	Zuari Fertilisers and Chemicals Limited
3	Persons acting in concert with Acquirer (PAC)	Zuari Agro Chemicals Limited
4	Manager to the Open Offer	ICICI Securities Limited
5	Registrar to the Open Offer	Cameo Corporate Services Limited

B) Details of the Offer:

Open offer ("**Offer**") under Regulation 3(1) and 3(3) of SEBI (SAST) Regulations for acquisition of 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 each, constituting 36.56% (Thirty Six point Five Six Per Cent) of the Voting Share Capital, from the Shareholders of TC by the Acquirer along with the PAC. The Offer is not a voluntary offer. The Offer is not a conditional offer. The Offer is not a competing offer.

C) Activity Schedule

Sl. No.	Activity	Due dates as specified in SEBI (SAST) Regulations	Actual Dates
1	Date of the public announcement (PA)	Thursday, December 04, 2014	Thursday, December 04, 2014
2	Date of publication of the Detailed Public Statement (DPS)	Thursday, December 11, 2014	Thursday, December 11, 2014
3	Date of filing of draft letter of offer (DLOF) with SEBI	Thursday, December 18, 2014	Thursday, December 18, 2014
4	Date of sending a copy of the DLOF to the TC and the concerned stock exchanges	Thursday, December 18, 2014	Thursday, December 18, 2014
5	Date of receipt of SEBI comments (in the event, SEBI has not sought clarifications or additional information from the Managers to the Offer)	Friday, January 09, 2015	Friday, February 27, 2015
6	Date of dispatch of LOF to the shareholders / custodian in case of Depositary Receipts	Tuesday, January 20, 2015	Monday, April 13, 2015
7(a)	Dates of price revisions / offer revisions (if any)	Thursday, January 22, 2015	Wednesday, April 15, 2015
(b)	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
8	Date of publication of recommendation by the independent directors of the TC	Friday, January 23, 2015	Friday, April 17, 2015
9	Date of issuing the offer opening advertisement	Tuesday, January 27, 2015	Monday, April 20, 2015

10	Date of commencement of the tendering period	Wednesday, January 28, 2015	Tuesday, April 21, 2015
11	Date of expiry of the tendering Period	Tuesday, February 10, 2015	Wednesday, May 06, 2015
12	Date of making payments to shareholders / return of rejected shares	Wednesday, February 25, 2015	Monday, May 18, 2015*****

The Acquirer received SEBI Observations on February 27, 2015. However, the Competition Commission of India granted its approval for the Open Offer vide its letter dated March 27, 2015, received by the Acquirer and the PAC on March 31, 2015. As directed by SEBI vide its letter dated March 12, 2015, the subsequent activities were undertaken only after the receipt of approval from Competition Commission of India, resulting in delay in the schedule of the Open Offer.

***** *Pursuant to the LOF, the 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 for dispatch / issue by the Acquirer was May 20, 2015. However, the actual payment of consideration to the Shareholders, whose Equity Shares were validly accepted under the Open Offer, and communication of rejection to Shareholders, whose Equity Shares were not accepted, was completed on May 18, 2015.*

D) Details of the payment of consideration in the open offer

Sl. No.	Item	Details
1	**Offer Price** for fully paid shares of TC (₹ per share)	91.92*
2	**Offer Price** for partly paid shares of TC, if any	Not Applicable
3	**Offer Size** (no. of shares accepted x [offer price per share plus interest per share for delay in payment beyond the Scheduled Payment Date])	407,37,92,580.00
4	**Mode of payment of consideration** (cash or shares or secured listed debt instruments or convertible debt securities or combination)	Cash
5	**If mode of payment is other than cash, i.e. through shares / debt or convertibles:**	
a.	**Details of offered security** • Nature of the security (shares or debt or convertibles) • Name of the company whose securities have been offered • Salient features of the security	Not Applicable
b.	**Swap Ratio** (ratio indicating the number of securities of the offeree company vis-à-vis shares of TC)	Not Applicable

***** *In addition to the Offer Price, an interest of Rs. 2.10 per Equity Share calculated at 10% per annum for delay in payment beyond the Scheduled Payment Date was paid by the Acquirer to the Shareholders whose Equity Shares were accepted under the Offer.*

E) Details of market price of the shares of TC

1) Name of the Stock Exchange where the shares of TC have been most frequently traded during 12 calendar months period prior to PA, and the volume of trading relative to the total outstanding shares of the TC:
The Equity Shares of the Target Company are listed on BSE Limited ("**BSE**"), National Stock Exchange of India Limited ("**NSE**") and the Bangalore Stock Exchange Limited ("**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). During the 12 calendar months prior to the month of issuance of the PA dated December 04, 2014, the shares of the TC were most frequently traded on the NSE and during this period, the total volume of trading was 4,79,50,990 Equity Shares and total outstanding listed equity shares during that period were 11,85,15,150. Traded turnover as a percentage to total listed Equity Shares was 40.46%. In terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares are frequently traded on NSE and BSE.

2) Details of Market Price of the shares of TC on the aforesaid Stock Exchange :

The closing market price of the shares of TC on NSE is mentioned below:

Sl. No.	Particulars	Date	Opening Price (₹ per share)	Closing Price (₹ per share)
1	1 trading day prior to the PA date	December 3, 2014	90.00	86.35
2	On the date of PA	December 4, 2014	87.10	86.40
3	On the date of publication of DPS	December 11, 2014	88.50	88.55
	On the date of publication of Revised DPS	February 6, 2015	88.95	88.20
4	On the date of commencement of the tendering period	April 21, 2015	88.00	86.95
5	On the date of expiry of the tendering period	May 6, 2015	83.50	79.70
6	10 working days after the last date of the tendering period	May 20, 2015	62.95	61.75
7	Average market price during the tendering period (*viz. Average of the volume weighted market prices for all the days)*	April 21, 2015 to May 6, 2015	85.95	
8	Average of the weekly high and low of the closing prices of the shares during the period from date of PA till closure of Offer	December 4, 2014 to May 18, 2015	86.63	

F) Details of escrow arrangements

1) Details of creation of Escrow account, as under

	Date(s) of creation	Amount (₹)	Form of escrow account
Bank Guarantee (HDFC Bank Limited)	December 9, 2014	70,55,00,000*	Bank Guarantee
Bank Guarantee (The Ratnakar Bank Limited)	December 30, 2014	31,35,00,000*	Bank Guarantee
Escrow Account (HDFC Bank Limited)	December 9, 2014	4,10,00,000**	Cash

** The Acquirer has furnished an 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 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.*

*** 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. 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.*

2) For such part of escrow account, which is in the form of cash:

i. Name of the Scheduled Commercial Bank where cash is deposited: HDFC Bank Limited

ii. Indicate when, how and for what purpose the amount deposited in escrow account was released, as under:

Release of escrow account		
Purpose	**Date**	**Amount (₹)**
Transfer to Special Escrow Account, if any	May 13, 2015	3,69,00,000
Amount released to Acquirer • Upon withdrawal of Offer • Any other purpose (to be clearly specified)* • Other entities on forfeiture	 Not Applicable Not Applicable Not Applicable	 Not Applicable Not Applicable Not Applicable

** Apart from closure*

3) For such part of Escrow which consists of Bank Guarantee (BG) / Deposit of Securities, provide the following details:

-- For Bank Guarantee

Name of Bank	**Amount of Bank Guarantee (Rs.)**	**Date of creation / revalidation of guarantee**	**Validity period of Bank Guarantee**	**Date of Release if Applicable**	**Purpose of release**
HDFC Bank Limited	70,55,00,000	December 9, 2014	Valid until June 30, 2015	To be released on or after June 18, 2015	Completion of the Open Offer
The Ratnakar Bank Limited	31,35,00,000	December 30, 2014	Valid until June 30, 2015	To be released on or after June 18, 2015	Completion of the Open Offer

-- For Securities – Not Applicable

G) Details of response to the Open Offer

Shares proposed to be acquired		Shares tendered**		Response level (no of times)	Shares accepted**		Shares rejected	
No.	**% to total diluted share capital of TC**	**No.**	**% to total diluted share capital of TC**	**(C) / (A)**	**No.**	**% w.r.t (C)**	**No. = (C) – (F)**	**Reasons**
(A)	**(B)**	**(C)**	**(D)**	**(E)**	**(F)**	**(G)**	**(H)**	**(I)**
4,33,29,000	36.56%	5,34,50,804	45.10%	1.234	4,33,29,000	81.06%	1,01,21,804	Technical rejections (43,358 Equity Shares) and Excess Tendering (1,00,78,446 Equity Shares)

**Give bifurcation for fully paid-up shares, partly paid up shares, shares with differential voting rights, any other category, as applicable – All the Equity Shares tendered in the Offer were fully paid-up.

H) Payment of Consideration

Due date for paying consideration to shareholders whose shares have been Accepted	Actual date of payment of consideration	Reasons for delay beyond the due date
May 20, 2015	May 18, 2015	Not Applicable

Details of special account which has been created for the purpose of payment to shareholders:
Name of the concerned Bank: Special Escrow Account titled as "ZFCL MANGALORE CHEMICALS OPEN OFFER - SPECIAL ACCOUNT" having Account No. **00600310036975** was opened with HDFC Bank Limited.

Details of the manner in which consideration (where consideration has been paid in cash), has been paid to shareholders whose shares have been accepted:

Mode of paying the consideration	No. of Shareholders	Amount of Consideration (₹ Lakhs)
Physical Mode (Demand Draft)	110	141.14
Direct Credit	175	23,676.66
NEFT	591	155.17
RTGS	103	16,764.95
Total	**979**	**40,737.93**

I) Pre and post offer Shareholding of the Acquirer / PAC in TC

Sl. No.	Shareholding of Acquirer and PACs	No. of Shares	% of total share capital of TC as on closure of tendering period
1	Shareholding before PA	1,95,14,211	16.47%
2	Shares acquired by way of an agreement entered into by the Acquirer and the PAC	Not Applicable	Not Applicable
3	Shares acquired after the PA but before 3 working days prior to commencement of tendering period. - Through market purchases - Through negotiated deals/ off market deals	 NIL NIL	 0.00% 0.00%
4	Shares acquired in the open offer	4,33,29,000	36.56%
5	Shares acquired during exempted 21-day period after offer (if applicable)	NIL	0.00%
6	Post - offer shareholding	6,28,43,211	53.03%

J) Give further details, as under, regarding the acquisitions mentioned at points 3, 4 & 5 of the above table

1	Name(s) of the entity who acquired the shares	Zuari Fertilisers and Chemicals Limited
2	Whether disclosure about the above entity(s) was given in the LOF as either Acquirer or PAC	Disclosed in LOF as Acquirer
3	No of shares acquired per entity	All 4,33,29,000 Equity Shares have been acquired by Zuari Fertilisers and Chemicals Limited
4	Purchase price per share	Offer price of ₹ 91.92 per share and interest of ₹ 2.10 per share amounting to ₹ 94.02 per share
5	Mode of acquisition	Open Offer
6	Date of acquisition	May 18, 2015
7	Name of the Seller in case identifiable	All Shareholders of TC who have validly tendered their Equity Shares in the Open Offer

K) Pre and post offer Shareholding Pattern of the Target Company

		Shareholding in a TC			
	Class of entities	**Pre - offer**		**Post offer (actuals)**	
		No.	**%**	**No.**	**%**
1	Acquirer	1,95,14,211	16.47%	6,28,43,211	53.03%
	PAC	Nil	Nil	Nil	Nil
2	Erstwhile Promoters (persons who cease to be promoters pursuant to the Offer)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Continuing Promoters	2,60,42,896	21.97%	2,60,42,896	21.97%
4	Sellers if not in 1 and 2	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Other Public Shareholders	7,29,58,043	61.56%	2,96,29,043	25.00%
	Total	**11,85,15,150**	**100%**	**11,85,15,150**	**100%**

L) Details of Public Shareholding in TC

1.	Indicate the minimum public shareholding the TC is required to maintain for continuous listing	2,96,28,788 shares i.e. 25% of the total outstanding equity share capital
2.	Indicate the actual public shareholding and if it has fallen below the minimum public shareholding limit, delineate the further steps which will be taken in accordance with the disclosures given in the LOF	Post offer public shareholding is 2,96,29,043 shares i.e. 25% of the total outstanding equity share capital and is above the minimum public shareholding as prescribed

M) Other relevant information, if any – Not Applicable

For ICICI Securities Limited

Sd/-

Authorized Signatory
Name: Ayush Jain
Designation: Asst. Vice President

Date: May 22, 2015
Place: Mumbai