# SCM Soilfert Limited

Regd. Office: Deepak Complex, Opp. Golf Course, Shastri Nagar, Yerawada,
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Tel : +91-20-6645 8000 Fax : +91-20-2668 3723
CIN: U24120PN2012PLC145024

25th July, 2014

To
The Bombay Stock
Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

To
National Stock
Exchange of India Ltd.
Exchange Plaza, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051

To
Bangalore Stock
Exchange Limited
Stock Exchange Towers
No. 51, I Cross, J C Road
Bangalore – 560 027

**Sub: Open Offer by SCM Soilfert Limited along with Deepak Fertilisers and Petrochemicals Corporation Limited to acquire up to 30,813,939 Equity Shares representing 26.0% of the emerging voting capital under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from the public shareholders of Mangalore Chemicals & Fertlizers Limited ("Offer").**

Dear Sir,

This is in reference to the captioned Offer.

We would like to inform you that we have received a letter from the Securities Exchange Board of India dated July 24, 2014, bearing reference no. CFD/DCRT/TO/SKS/21857/2014 with respect to the timing of the commencement and subsequent closure of the Offer, the same is enclosed for your reference.

We request you to kindly take the same on record and acknowledge receipt.

Yours faithfully,
For SCM Soilfert Limited

Somnath Patil
Director

CC: Mangalore Chemicals & Fertilizers Limited
Level-11, UB Tower, UB City
24, Vittal Mallya Road
Bangalore – 560 001
Phone : +91 080 - 3985 5500 / 6000
Fax: +91 080 - 3985 5588

Deepak Fertlisers And Petrochemicals Corporation Limited
Opp. Golf Course, Shastri Nagar, Yerawada
Pune - 411006

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange Board of India**

ASSITANT GENERAL MANAGER
CORPORATION FINANCE DEPARTMENT
DIVISION OF CORPORATE RESTRUCTURING
Tel. 022- 26449302
E-mail- sksingh@sebi.gov.in

CFD/DCR/TO/SKS/21857/2014
July 24, 2014

| | | |
|---|---|---|
| **JM Financial Institutional Securities Pvt. Ltd.**<br>141, Maker Chamber III,<br>Nariman Point,<br>Mumbai - 400 021 | **ICICI Securities Ltd**<br>ICICI Center,<br>HT Parekh Marg,<br>Churchgate<br>Mumbai – 400 020 | **Ambit Corporate Financial Pvt Ltd**<br>Ambit House, 449,<br>Senapati Bapat Marg,<br>Lower Parel,<br>Mumbai – 400 013 |

Dear Sir,

**Sub: Acquisition of 30,813,939 equity shares representing 26% of the equity share capital of Mangalore Chemicals & Fertilizers Ltd ('Target Company') by**

**a. SCM Soilfert Ltd ('Acquirer') along with Deepak Fertilizers and Petrochemicals Corporation Ltd (PAC) at a price of Rs. 63/- per share in terms of SEBI (SAST) Regulations, 2011. and**

**b. Zuari Fertilizers and Chemicals Ltd (Competing Acquirer) along with Zuari Agro Chemicals Ltd (PAC1), United Breweries (Holdings) Ltd (PAC2), Kingfisher Finvest India Ltd (PAC3) and McDowell Holdings Ltd (PAC4) at a price of Rs. 68.55/ per share in terms of SEBI (SAST) Regulations, 2011.**

1. This is with reference to letter dated July 17, 2013 received from JM Financial Institutional Securities Pvt. Ltd ("JM Financial") *inter alia* requesting for extension of commencement of tendering period pending receipt of CCI approvals and subsequent discussions held with your representatives on the same.

2. JM Financial, in its aforesaid letter, has *inter alia* submitted the following:-
   a) As disclosed in the draft letter of offers, both the Open Offers are subject to receipt of approval from the Competition Commission of India ("CCI") under Section 6(2) of the Competition Act, 2002.
   b) In terms of regulation 18(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011{"SAST"} and the SEBI Observations Letter, the

final letter of offer has to be dispatched to all shareholders of the Target Company within 7 working days of the receipt of the SEBI Observation Letter.

c) The regulations also provide for the timelines within which the tendering period should start and close and the time for completing the payment of consideration to the shareholders who have accepted the Open Offer.

d) In terms of regulation 18(11), the Acquirer has the responsibility to pursue all the statutory approvals required for the completion of the open offer. The proviso to regulation 18(11) provides that where the Acquirer is unable to make the payment of consideration to the shareholders within the prescribed time period due to non-receipt of statutory approvals, SEBI has the discretion of granting an extension of time for making such payments, subject to the Acquirer agreeing to pay interest to the shareholders for such delay.

e) Further, in case of competing offers, the offer timelines of the original offer and the competing offer need to be coordinated by the managers to the respective offers.

3. Further, JM Financial has submitted that since the Acquirer has the right to withdraw the Open Offer under regulation 23(1) in the event that the CCI approval is not received, receipt of CCI approval is a prerequisite to the completion of the Open Offer and the Competing Offer, and is therefore a 'statutory approval' under regulation 18(11) of the SAST Regulations. In the event the tendering period commences in accordance with the time period stipulated under regulation 18(8), the public shareholders of the target company will be required to deposit the shares tendered in escrow till such time as the Acquirer can make the payment to the relevant shareholders. Various concerns, including CCI rejecting only one of the applications, shareholders not having complete information on the status of CCI approval, shareholders losing their ability to trade on their shares during the interim period, etc have been raised.

4. In order to address the above issues, a meeting was held with the representatives of JM Financial, ICICI Securities Ltd and Ambit Corporate Financial Pvt Ltd on July 21, 2014, wherein it was proposed that the following methodology may be adopted:-

a) the tendering period for the Open Offer may commence not later than twelve working days from the receipt of CCI approvals, whichever is received later (ie., of the CCI approvals granted to the two Acquirers, whichever is later) and

b) the payment to all successful Public Shareholders who tender their Equity Shares in the Open Offers, thereafter, may be made within the specified timeframe of ten working days from the last date of the tendering period subject to both the Acquirers paying interest for the said delay @ 10% p.a.

अनुवर्ती :
Continuation :

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*Securities and Exchange*
*Board of India*

5. As the methodology proposed above would address the concerns stated at para 3 above and also facilitate achievement of uniform timelines in both the offers and protect the interests of investors. SEBI does not have any objection in this regard.

6. You are advised to disclose the above to the Stock Exchanges in accordance with clause 36 of the Listing Agreement, immediately.

7. Further, pursuant to the discussions held on July 21, 2014 on the last day to revise the offer price, it is clarified that any upward revision of offer price shall be made at any time prior to last three working days before the commencement of the tendering period.

8. You are advised to ensure compliance of the above and make necessary disclosures.

Yours faithfully,

**Sunil Kumar Singh**