PUBLIC ANNOUNCEMENT UNDER REGULATION 15(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED

OPEN OFFER FOR ACQUISITION OF UP TO 3,08,13,939 (THREE CRORE EIGHT LAKH THIRTEEN THOUSAND NINE HUNDRED AND THIRTY NINE) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF INR 10 (RUPEES TEN) EACH ("EQUITY SHARES") OF MANGALORE CHEMICALS & FERTILIZERS LIMITED ("TARGET COMPANY") FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF THE TARGET COMPANY BY ZUARI FERTILISERS AND CHEMICALS LIMITED ("ACQUIRER") TOGETHER WITH ZUARI AGRO CHEMICALS LIMITED ("PAC 1"), UNITED BREWERIES (HOLDINGS) LIMITED ("PAC 2"), KINGFISHER FINVEST INDIA LIMITED ("PAC 3") AND MCDOWELL HOLDINGS LIMITED ("PAC 4") AS THE PERSONS ACTING IN CONCERT (COLLECTIVELY, "PAC") WITH THE ACQUIRER (THE "OFFER" / "OPEN OFFER"). SAVE AND EXCEPT FOR THE PAC, NO OTHER PERSON IS ACTING IN CONCERT WITH THE ACQUIRER FOR THE PURPOSE OF THIS OPEN OFFER.

This public announcement ("**PA**" / "**Public Announcement**") is being issued by Ambit Corporate Finance Private Limited and ICICI Securities Limited (the "**Managers to the Offer**") for and on behalf of the Acquirer and the PAC, to the Public Shareholders (as defined below) of the Target Company pursuant to and in compliance with Regulation 20 read with Regulation 3(1) and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI Takeover Regulations**").

For the purpose of this Public Announcement, "**Public Shareholders**" shall mean all the public shareholders of the Target Company excluding (i) the parties to the Agreement (as defined below) and (ii) persons acting in concert or deemed to be acting in concert with such parties including the PAC.

1. Offer Details

1.1 **Offer Size:** The Acquirer and the PAC hereby make this Offer to the Public Shareholders to acquire up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred and Thirty Nine) Equity Shares constituting 26% (Twenty Six Per Cent) of the fully diluted voting equity share capital (being the total paid-up share capital of the Target Company as of the 10th (tenth) working day from the date of closure of the tendering period for the Offer, hereinafter referred to as '**Voting Share Capital**'), at a price of INR 68.55 per Equity Share ("**Offer Price**") aggregating to INR 211,22,95,518.45 (Rupees Two Hundred and Eleven Crores Twenty Two Lakhs Ninety Five Thousand Five Hundred and Eighteen and Paise Forty Five only), subject to the terms and conditions mentioned in this Public Announcement, the detailed public statement that will be published in connection to the Offer ("**Detailed Public Statement**") and the letter of offer that is proposed to be issued in accordance with the SEBI Takeover Regulations.

1.2 **Offer Price / Consideration:** The Offer Price of INR 68.55 (Rupees Sixty Eight and Paise Fifty Five only) payable per Equity Share is calculated in accordance with Regulation 8(2) of the SEBI Takeover Regulations.

1.3 **Mode of Payment:** The Offer Price is payable in cash, in accordance with Regulation 9(1)(a) of the SEBI Takeover Regulations.

1.4 **Type of Offer**: This Offer is a competing offer under Regulation 20 of the SEBI Takeover Regulations. For the purpose of making this competing offer, the Acquirer and the PAC have executed an agreement dated May 12, 2014 **("Agreement")**. Thus, this offer is also a mandatory offer in compliance with Regulation 3(1) and other applicable regulations of the SEBI Takeover Regulations upon execution of such Agreement.

2. <u>Transaction which has triggered the Open Offer obligations (Underlying Transaction)</u>

Details of Underlying Transaction						
Type of Transaction (direct/ indirect)	**Mode of Transaction (Agreement/ Allotment/ Market Purchase)**	**Shares / Voting rights acquired/ proposed to be acquired**		**Total Consideration for Equity Shares / Voting Rights (VR) acquired (INR in Lakhs)**	**Mode of payment (Cash/ securities)**	**Regulation which has been triggered**
		Number	**% vis-a-vis Voting Share Capital**			
Direct	Competing Offer for the purpose of which an Agreement has been executed amongst, Acquirer, PAC 1, PAC 2, PAC 3 and PAC 4	Nil	Nil	Nil	NA	Regulation 20 and Regulation 3(1) read with other applicable regulations of the SEBI Takeover Regulations as mentioned in Paragraph 1.4 above

3. Acquirer / PAC

Details	Acquirer	PAC 1	PAC 2	PAC 3	PAC 4	Total
Name of Acquirer/ PAC	Zuari Fertilisers and Chemicals Limited	Zuari Agro Chemicals Limited	United Breweries (Holdings) Limited	Kingfisher Finvest India Limited	McDowell Holdings Limited	Not Applicable
Address	Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726	Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726	UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore - 560001	UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore - 560001	Canberra, Level 9, UB City, #24, Vittal Mallya Road, Bangalore – 560 001	Not Applicable
Name(s) of persons in control/promoters of Acquirer/ PAC where Acquirer/ PAC are companies	Acquirer is a wholly-owned subsidiary of PAC 1	Saroj Kumar Poddar, Globalware Holdings Limited, Texmaco Infrastructure & Holdings Limited, Adventz Investments & Holdings Limited, Coltrane Corporation Limited, Jeewan Jyoti Medical Society, Adventz Finance Private Limited, Duke Commerce Limited, Adventz Securities Enterprises Limited, Adventz Investment Company Private Limited, Ricon Commerce Limited, Jyotsna Poddar, New Eros Tradecom Limited, SIL Investments Limited, Pilani Investment & Industries Corporation Limited, RTM Investment	Dr. Vijay Mallya, Dr. Vijay Mallya & Sidhartha V. Mallya, Dr. Vijay Mallya & Ritu Mallya, Kamsco Industries Private Limited, The Gem Investment & Trading Company Private Limited, Pharma Trading Company Private Limited, Mallya Private Limited, Devi Investments Private Limited, McDowell Holdings Limited, Vittal Investments Private Limited, Ganapathy Mallya Investments Private Limited, VJM Investments Private Limited , Rossi & Associates Private Limited, Watson Limited and Firstart Inc	PAC 3 is a wholly-owned subsidiary of PAC 2	Dr. Vijay Mallya, United Breweries (Holdings) Limited, Mallya Private Limited and Kingfisher Finvest India Limited	Not Applicable

Details	Acquirer	PAC 1	PAC 2	PAC 3	PAC 4	Total
		& Trading Company Limited, SCM Investment & Trading Company Limited, Ronson Traders Limited, Sarla Devi Birla, Zuari Global Limited and Zuari Management Services Limited				
Name of the Group, if any, to which the Acquirer/ PAC belongs to	Adventz Group	Adventz Group	UB Group	UB Group	UB Group	Not Applicable
Pre Transaction shareholding • Number • % of total Voting Share Capital	1,94,71,787 (One Crore Ninety Four Lakhs Seventy One Thousand Seven Hundred and Eighty Seven) Equity Shares representing 16.43% of the Voting Share Capital	NIL	1,78,36,068 (One Crore Seventy Eight Lakhs Thirty Six Thousand and Sixty Eight) Equity Shares representing 15.05% of the Voting Share Capital	23,80,000 (Twenty Three Lakhs Eighty Thousand) Equity Shares representing 2.01% of the Voting Share Capital	58,26,828 (Fifty Eight Lakhs Twenty Six Thousand Eight Hundred and Twenty Eight) Equity Shares representing 4.92% of the Voting Share Capital	4,55,14,683 (Four Crore Fifty Five Lakhs Fourteen Thousand Six Hundred and Eighty Three) Equity Shares representing 38.40% of the Voting Share Capital
Proposed shareholding after the acquisition of Equity Shares which triggered the Open Offer (not taking into account the Equity Shares validly accepted in the Open Offer, if any)	1,94,71,787 (One Crore Ninety Four Lakhs Seventy One Thousand Seven Hundred and Eighty Seven) Equity Shares representing 16.43% of the Voting Share Capital	NIL	1,78,36,068 (One Crore Seventy Eight Lakhs Thirty Six Thousand and Sixty Eight) Equity Shares representing 15.05% of the Voting Share Capital	23,80,000 (Twenty Three Lakhs Eighty Thousand) Equity Shares representing 2.01% of the Voting Share Capital	58,26,828 (Fifty Eight Lakhs Twenty Six Thousand Eight Hundred and Twenty Eight) Equity Shares representing 4.92% of the Voting Share Capital	4,55,14,683 (Four Crore Fifty Five Lakhs Fourteen Thousand Six Hundred and Eighty Three) Equity Shares representing 38.40% of the Voting Share Capital

Details	Acquirer	PAC 1	PAC 2	PAC 3	PAC 4	Total
Any other interest in the Target Company	The Acquirer and the PAC do not have any other interest in the Target Company, except that: • PAC 1 has executed a contract manufacturing agreement dated March 13, 2014 with the Target Company for manufacturing of Di Ammonium Phosphate and NPK (20:20:0:13). • PAC 1 has executed a Memorandum of Understanding dated April 11, 2014 with the Target Company for sale of Di Ammonium Phosphate and Muriate of potash on high sea sale basis. • PAC 2 has executed the following agreements with the Target Company: o Trademark licence agreement dated July 11, 2006 for use of its trademark & corporate logo; and o Supplemental management service agreement dated February 10, 2014 to provide various management services to the Target Company • Dr. Vijay Mallya is the Chairman of the Board of Directors of the PAC 2 and the Target Company					

4. Details of Selling Shareholders

Not applicable

5. Target Company

Name	Mangalore Chemicals & Fertilizers Limited
Corporate Identification Number (CIN)	L24123KA1966PLC002036
Registered Office	UB Tower, Level 11, UB City, 24, Vittal Mallya Road, Bangalore – 560001, India
Exchanges where listed	Equity Shares of the Target Company are listed on BSE Limited (Scrip ID: MANGCHEM, Scrip Code: 530011), National Stock Exchange of India Limited (Symbol: MANGCHEFER, ISIN: INE558B01017) and Bangalore Stock Exchange Limited.

6. Other Details

6.1 The detailed public statement pursuant to this Public Announcement to be issued in terms of Regulation 13(4) of the SEBI Takeover Regulations, containing further information pertaining to the Open Offer including, inter alia, the background to the Open Offer, detailed information on the Offer Price, the Acquirer & PAC, the Target Company, relevant provisions of the Agreement, statutory approvals required for the completion of the Open Offer and other terms and conditions of the Open Offer shall be published in newspapers on or before Tuesday, May 20, 2014 as per the SEBI Takeover Regulations.

6.2 Completion of the Open Offer and the underlying transaction as envisaged under the Agreement is subject to receipt of statutory approvals.

6.3 The Acquirer and the PAC jointly and severally undertake that they are aware of and will comply with their obligations under the SEBI Takeover Regulations and the Acquirer undertakes that it has adequate financial resources to meet its obligations under the SEBI Takeover Regulations.

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

6.5 The Open Offer is not conditional upon any minimum level of acceptance as per Regulations 19(1) of the SEBI Takeover Regulations.

6.6 This Open Offer is a competing offer in terms of Regulation 20 of the SEBI Takeover Regulations. The details of the original open offer are as follows:

Name of the Acquirer	SCM Soilfert Limited
Name of the PAC	Deepak Fertilisers and Petrochemicals Corporation Limited
Number of Equity Shares proposed to be acquired	Up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred and Thirty Nine) Equity Shares representing 26% (Twenty Six Percent) of the voting share capital of the Target Company.
Mode of payment	Cash
Offer price	Original offer price as per public announcement dated April 23, 2014 was INR 61.75 (Rupees Sixty One and Paise Seventy Five) per Equity Share. The offer price was revised to INR 63.00 (Rupees Sixty Three) per Equity Share through the detailed public statement dated May 1, 2014
Public announcement dated	Wednesday, April 23, 2014
Detailed public statement dated	Thursday, May 1, 2014
Draft Letter of Offer dated	Thursday, May 8, 2014

ISSUED BY THE MANAGERS TO THE OFFER



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For and on behalf of

Acquirer	PAC 1	PAC 2	PAC 3	PAC 4
Zuari Fertilisers and Chemicals Limited	Zuari Agro Chemicals Limited	United Breweries (Holdings) Limited	Kingfisher Finvest India Limited	McDowell Holdings Limited

Place: Mumbai
Date: May 12, 2014