



Mangalore Chemicals
& Fertilizers Limited

722/SE/2024

February 07, 2024

National Stock Exchange of
India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
MUMBAI - 400 051

BSE Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI - 400 001

Dear Sir/Madam,

Company's Scrip Code in BSE : 530011 MANGCHEM
Company's Symbol in NSE : MANGCHEFER
ISIN : INE558B01017

Sub: Press Release – Scheme of Arrangement

With reference to captioned subject, we enclose herewith a copy of the press release issued by the Company in connection with composite scheme of arrangement approved by the Board of Directors of the Company at its meeting held today, i.e. Wednesday, February 07, 2024.

Thanking you,

Yours faithfully,
For Mangalore Chemicals & Fertilizers Limited

Vighneshwar G Bhat
Company Secretary & Compliance Officer

Encl: As above

Mangalore Chemicals & Fertilizers Limited announces merger with Paradeep Phosphates Limited: Merged entity to become one of the largest integrated private sector fertilizer companies in India

Bengaluru, India, February 7, 2024: The board of directors of Mangalore Chemicals and Fertilizers Limited (“**MCFL**”) and Paradeep Phosphates Limited (“**PPL**”), at their board meetings held today, approved a composite scheme of arrangement for the merger of MCFL with and into PPL, marking a strategic move of consolidation for both the companies. This proposed merger transaction aims at taking their respective businesses to the next level of growth by consolidating the business operations of both the companies to become a larger entity. The merger transaction is *inter alia* subject to the approval of the National Company Law Tribunal(s), shareholders and creditors of MCFL and PPL, and the Competition Commission of India.

MCFL and PPL have consistently delivered robust financial performances and by combining, they aim to amplify shareholder value. The proposed combined entity will become the one of the largest integrated private sector fertilizer companies in India, with a total manufacturing capacity of ~3.6 MMTPA.

MCFL has a significant presence in the Southern regions of India while PPL has strong presence in the Northern, Central and Eastern parts of India, thus making the proposed combined entity a pan-Indian fertilizer company. This move aims to enhance customer engagement, improve large deal capabilities, use manufacturing capabilities of both entities, reap benefits of economies of scale, optimize supply chain and thus create a more compelling value proposition for all stakeholders.

Upon the scheme of arrangement becoming effective, all shareholders of MCFL (as of a particular record date) will be issued shares of PPL in the ratio of 187 equity shares of PPL for every 100 equity shares of MCFL. The new shares of PPL so issued to the shareholders of MCFL will be listed on both, the National Stock Exchange of India Limited and the BSE Limited.

MCFL and PPL have formed a merger implementation committee to oversee the merger process, including discussions with regulators, smooth transition for employees, customers, vendors and other external stakeholders.

Speaking about the merger Mr. Suresh Krishnan, Managing Director & Chief Executive Officer of PPL said, *“Consolidation of PPL and MCFL will mark a significant leap forward in our growth strategy and the resultant entity will be able to cater to the diverse soil needs of the country. We will be able to reap benefits of economies of scale, optimize product mix, enhance distribution reach and supply chain capabilities and leverage on each other potent synergies. This will result in unlocking tremendous value and drive sustainable growth for our shareholders, employees, and partners.”*

Speaking about the merger, Mr. Nitin Kantak, Whole-time Director of MCFL said *“The proposed merger will enable us to become a larger player and will help us to serve our market in a more diversified manner and will result in enhanced value creation for all the stakeholders”.*

Advisors to the merger transaction:

Shardul Amarchand Mangaldas & Co. acted as the legal advisors and PricewaterhouseCoopers Private Limited acted as the financial advisors for the merger transaction. The swap ratio for the merger was jointly proposed by SSPA & Co. and Pawan Shivkumar Poddar.

About MCFL

MCFL is one of the largest manufacturer of chemical fertilizers in the state of Karnataka, India. The main products are Urea, Di-Ammonium Phosphate (DAP), NP 20:20:00:13, Ammonium Bi-Carbonate (ABC) - Food grade, Sulphuric Acid, Speciality fertilizers and Nutrient products consisting of Water Soluble

Fertilizers, Micronutrients & Soil Conditioners and Sulphonated Naphthalene Formaldehyde (SNF), an industrial product.

About PPL

PPL is one of India's leading private sector players in phosphatic fertilizers. PPL currently has a total capacity of 3 million MT, of which 2.60 million MT is Phosphates and the balance 0.40 million MT is Urea. PPL can produce a wide mix of phosphatic fertilizers, across six fungible production trains, ranging from DAP, N-10, N-12, N-14, N-19, N-20, N28 and others. The company is also a major supplier of various industrial products like Gypsum, Zymite, HFSA (Hydrofluorosilicic Acid), Sulphuric Acid, and Ammonia.

PPL's two large manufacturing units are at Paradeep, Odisha (1.8 million MT) and at Zuarinagar, Goa (1.2 million MT). PPL sources its raw materials globally through long-term contracts and sells the finished fertilizers under the established brand names of "Jai Kisaan" and "Navratna" to over 8 million farmers across 16 states in India.