



Mangalore Chemicals
& Fertilizers Limited

7th February, 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
Company's Symbol in NSE : MANGCHEFER
ISIN : INE558B01017

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR Regulations") – Outcome of the board meeting of Mangalore Chemicals & Fertilizers Limited ("Company") held on 7th February, 2024

Pursuant to Regulation 30 read with Schedule III of the SEBI LODR Regulations and the circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 issued by the Securities and Exchange Board of India ("SEBI") dated July 13, 2023 (such circular, the "**SEBI Disclosure Circular**"), we wish to inform you that a meeting of the board of directors of the Company ("**Board**") was held today, i.e. 7th February, 2024.

The Board has considered and approved a composite scheme of arrangement amongst the Company, Paradeep Phosphates Limited ("**Transferee Company**") and their respective creditors and shareholders ("**Scheme**"), under Sections 230 to 232 of the Companies Act, 2013 ("**Companies Act**") and other applicable law(s), for the amalgamation of the Company with and into the Transferee Company by way of a merger, subject to receipt of necessary statutory and regulatory approvals of (i) the shareholders/ the creditors of the Company and the Transferee Company, (ii) the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the "**Stock Exchanges**"), (iii) Competition Commission of India, (iv) the relevant jurisdictional National Company Law Tribunals, and (v) any other regulatory approval(s), permission(s), consent(s), sanction(s), exemption(s), as may be required under applicable laws. Further, the Board has also approved the execution of a merger cooperation agreement with the Transferee Company in respect of the Scheme. The Scheme has been reviewed by the audit committee of the Company and the committee of independent directors of the Company, and such committees have recommended the approval of the Scheme.

At this meeting, the Board, inter alia, considered and approved / took on record the following:

1. The Scheme, which, *inter alia*, provides the following:
 - (a) the amalgamation by way of merger of the Company with and into the Transferee Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws;
 - (b) the transfer of the Identified Shares (*as defined in the Scheme*) from the Transferor Shareholder (*as defined in the Scheme*) to the Transferee Shareholder (*as defined in the Scheme*);
 - (c) issuance and allotment of equity shares of the Resultant Entity (*as defined in the Scheme*) by the Resultant Entity (*as defined in the Scheme*) to the equity shareholders of the Company, as on the Record Date (*as defined in the Scheme*), based on the share exchange ratio as provided for in the Valuation Reports;





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- (d) transfer of the authorized share capital of the Company to the Transferee Company and the consequential increase in the authorized share capital of the Transferee Company as provided in the Scheme; and
 - (e) dissolution without winding up of the Company.
2. Report of the Audit Committee of the Company recommending the Scheme, as adopted in the meeting of the Audit Committee held on February 7, 2024.
 3. Report of the Committee of Independent Directors of the Company recommending the Scheme, as adopted in the meeting of the Committee of Independent Directors held on February 7, 2024.
 4. The valuation report dated February 7, 2024 jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuer appointed by the audit committee of the Board.
 5. The fairness opinion dated February 7, 2024 issued by Fedex Securities Private Limited, the SEBI registered merchant banker with registration number INM 000010163 providing its opinion on the fairness of the share exchange ratio proposed in the aforesaid valuation reports.
 6. The certificate dated February 7, 2024 issued by PKF Sridhar & Santhanam LLP, the statutory auditors of the Company, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act read with the rules framed thereunder or the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and other generally accepted accounting principles.
 7. The report of the Board in terms of Section 232(2)(c) of the Companies Act.
 8. The execution of a merger cooperation agreement between the Company and the Transferee Company, which sets out *inter alia* the manner of implementation of the proposed amalgamation pursuant to the Scheme.

The details as required under Regulation 30 read with Schedule III of the SEBI LODR Regulations and the SEBI Disclosure Circular are provided in the enclosed Annexure A.

The above information is also available on the Company's website: www.mangalorechemicals.com.

The Board Meeting commenced at 5:30 PM and concluded at 6:20 PM.

We request you to take note of the same.

Thanking you,

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat

Company Secretary and Compliance Officer

ACS: 16651



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Annexure A

<u>Sr. No.</u>	<u>Particulars</u>	<u>Details</u>
a)	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<p><u>Transferee Company:</u> Paradeep Phosphates Limited, a public listed company incorporated under the laws of the Companies Act, 1956 with corporate identity number L24129OR1981PLC001020 and having its registered office at 5th Floor, Bayan Bhavan, Pandit J N Marg, Bhubaneswar – 751 001. The equity shares of the Transferee Company are listed on the Stock Exchanges. The Transferee Company is <i>inter alia</i> engaged in the business of manufacture and sale of di-ammonium phosphate, complex fertilizers of NPK grades, urea, zypmite (gypsum-based product) and trading of fertilizers, ammonia, phospho-gypsum, and other similar materials ancillary or incidental thereto.</p> <ul style="list-style-type: none">• <u>Paid up capital:</u> INR 814.74 crore as on September 30, 2023• <u>Turnover:</u> INR 9,332.38 crore as on December 31, 2023• <u>Net worth:</u> INR 3,436.20 crore as on September 30, 2023• <u>Profit after tax:</u> INR 78.94 crore as on December 31, 2023 <p><u>Transferor Company (i.e., the Company):</u> Mangalore Chemicals & Fertilizers Limited, a public listed company incorporated under the laws of the Companies Act, 1956 with corporate identity number L24123KA1966PLC002036 and having its registered office at Level 11, UB Tower, UB City, No. 24, Vittal Mallya Road, Bengaluru – 560 001. The equity shares of the Company are listed on the Stock Exchanges. The Company is <i>inter alia</i> engaged in the business of manufacture, purchase, import and sale of fertilizers.</p> <ul style="list-style-type: none">• <u>Paid up capital:</u> INR 118.55 crore as on December 31, 2023• <u>Turnover:</u> INR 3,009.05 crore as on December 31, 2023• <u>Net worth:</u> INR 902.18 crore as on September 30, 2023• <u>Profit after tax:</u> INR 149.97 crore as on December 31, 2023
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”	<p>The proposed amalgamation will not attract the requirements of Section 188 of the Companies Act, 2013 (related party transactions) pursuant to the clarifications provided by the Ministry of Corporate Affairs by way of its General Circular No. 30/2014 dated July 17, 2014.</p> <p>However, the proposed amalgamation may be considered a ‘related party transaction’ under the SEBI LODR Regulations.</p> <p>As per the valuation report dated February 7, 2024 jointly prepared by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), the consideration for the Scheme (i.e., the issuance of the equity shares of the Transferee Company to the shareholders of the Company) will be discharged on an arm’s length basis.</p>





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c)	Area of business of the entity(ies)	Please refer to paragraph (a) above.
d)	Rationale for amalgamation/ merger	<p>The Company and the Transferee Company are of the view that (i) the proposed amalgamation of the Company with and into the Transferee Company; and (ii) the other arrangements contemplated in the Scheme, would be to the benefit of the shareholders and creditors of the Company and the Transferee Company and would <i>inter alia</i> have the following benefits:</p> <p>(a) The proposed amalgamation will enable the Company and the Transferee Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India;</p> <p>(b) The Company and the Transferee Company are engaged in similar and/or complementary businesses and the proposed amalgamation pursuant to the Scheme will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth;</p> <p>(c) The proposed amalgamation is expected to <i>inter alia</i> result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Company and the Transferee Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Transferee Company; and</p> <p>(d) The proposed amalgamation is expected to create enhanced value for the stakeholders of both the Company and the Transferee Company.</p>
e)	In case of cash consideration – amount or otherwise share exchange ratio	<p>(a) Upon Part II of the Scheme coming into effect on the Effective Date 2 (as defined in the Scheme) and in consideration of the amalgamation including the transfer and vesting of the undertaking of the Company with the Transferee Company pursuant to this Scheme, the Transferee Company will, issue and allot to each equity shareholder of the Company as on the Record Date (<i>as defined in the Scheme</i>), 187 (One Hundred and Eighty Seven) fully paid-up equity share(s) of INR 10 (Indian Rupees Ten) each of the Transferee Company for every 100 (One Hundred) fully paid-up equity share(s) of INR 10 (Indian Rupees Ten) each of the Company.</p>



Registered Office: UB Tower, Level 11, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001, India.

Tel: +91 80 4585 5575/68 Fax: +91 80 4585 5588 E-mail: shares.mcf@adventz.com

Website: www.mangalorechemicals.com

Corporate Identity Number: L24123KA1966PLC002036



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		<p>(b) As per the Scheme, the transfer of all the Identified Shares (<i>as defined in the Scheme</i>) from the Transferor Shareholder (<i>as defined in the Scheme</i>) to the Transferee Shareholder (<i>as defined in the Scheme</i>) is to take place, at a price of INR 144 (Indian Rupees One Hundred and Forty Four) per Identified Share (<i>as defined in the Scheme</i>), and the Transferee Shareholder (<i>as defined in the Scheme</i>) is required to discharge an aggregate consideration of INR 564.57 crores (Indian Rupees Five Hundred and Sixty Four Crore and Fifty Seven Lakhs approximately) as consideration for such share transfer, subject to any taxes that need to be deducted at source, if any.</p> <p>The valuation report dated February 7, 2024 have been jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers, respectively. The fairness opinion dated February 7, 2024 has been issued by Fedex Securities Private Limited, a SEBI registered merchant banker.</p>																													
f)	Brief details of change in shareholding pattern (if any) of listed entity	<p>The brief details of the shareholding of the companies involved in the Scheme, pre and post the effectiveness of the Scheme are the follows:</p> <p><u>Transferee Company#:</u></p> <table border="1" data-bbox="539 1059 1402 1529"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Pre Scheme</th> <th colspan="2">Post Scheme</th> </tr> <tr> <th>No. of equity shares</th> <th>% of equity shares</th> <th>No. of equity shares</th> <th>% of equity shares</th> </tr> </thead> <tbody> <tr> <td>Promoters and Promoter Group*</td> <td>45,69,42,507</td> <td>56.08</td> <td>58,89,54,219</td> <td>56.83</td> </tr> <tr> <td>Public</td> <td>35,77,96,946</td> <td>43.92</td> <td>44,74,08,560</td> <td>43.17</td> </tr> <tr> <td>Non-Promoter and Non-Public</td> <td>00</td> <td>00</td> <td>00</td> <td>00</td> </tr> <tr> <td>Total</td> <td>81,47,39,453</td> <td>100</td> <td>103,63,62,779</td> <td>100</td> </tr> </tbody> </table> <p><u>#This does not take into account the shares under ESOP scheme which may result in issuance of additional 33,58,166 equity shares on exercise of stock-options.</u></p> <p><u>*Per Clause 31 of the Scheme of Arrangement. the parties considered therien have been considered as Promoters for the above disclosure.</u></p>	Category	Pre Scheme		Post Scheme		No. of equity shares	% of equity shares	No. of equity shares	% of equity shares	Promoters and Promoter Group*	45,69,42,507	56.08	58,89,54,219	56.83	Public	35,77,96,946	43.92	44,74,08,560	43.17	Non-Promoter and Non-Public	00	00	00	00	Total	81,47,39,453	100	103,63,62,779	100
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Transferor Company (i.e., the Company)*:				
Category	Pre Scheme		Post Scheme	
	No. of equity shares	% of equity shares	No. of equity shares	% of equity shares
Promoters and Promoter Group**	7,18,51,686	60.63	NA	NA
Public	4,66,63,464	39.37	NA	NA
Non-Promoter and Non-Public	00	00	NA	NA
Total	11,85,15,150	100.00	NA	NA

* The Company will cease to exist upon the effectiveness of the Scheme in accordance with its terms.
** This takes into account the transfer of the Identified Shares (as defined in the Scheme) from the Transferor Shareholder (as defined in the Scheme) to the Transferee Shareholder (as defined in the Scheme).

Yours sincerely,
For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat
Company Secretary and Compliance Officer
ACS 16651
Place: Bangalore