

Ref: NSE/LIST/45468/45469

February 28, 2025

The Company Secretary
Mangalore Chemicals & Fertilizers LimitedThe Company Secretary
Paradeep Phosphates Limited**Kind Attn.: Mr. Vighneshwar G Bhat****Kind Attn.: Mr. Sachin Patil**

Dear Sirs,

Sub: Observation Letter for draft composite scheme of arrangement between Mangalore Chemicals & Fertilizers Limited (“Transferor Company”) and Paradeep Phosphates Limited (“Transferee Company”) and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

We are in receipt for captioned draft composite scheme of arrangement filed by Mangalore Chemicals & Fertilizers Limited and Paradeep Phosphates Limited.

Based on our letter reference no. NSE/LIST/45468/45469 dated January 14, 2025, submitted to SEBI pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 for comments on the draft Scheme of Arrangement. SEBI vide its letter dated February 27, 2025, has inter alia given the following comment(s) on the draft scheme of arrangement:

- a) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- b) *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed company and the Stock Exchanges.*
- c) *The Company shall ensure compliance with the SEBI Circular issued from time to time.*
- d) *The Companies involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*
- e) *The Company shall ensure that information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- f) *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- g) *The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominent*

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Signed: *[Signature]*
Date: Fri, Feb 28, 2025 12:43:21 IST
Location: NSE

- h) *The Companies shall ensure that the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013:*
- i. *Details of (Pre & Post Scheme) Assets and Liabilities of Paradeep & Mangalore, as applicable.*
 - ii. *Valuation methods, rationale and assumptions considered for arriving at the share exchange ratio.*
 - iii. *Rationale & synergies of the scheme and its impact on the public shareholders.*
 - iv. *Impact, if any, of the liabilities of Mangalore on the business of Paradeep post scheme of arrangement.*
 - v. *Details of complaints received, if any, along with response of the company for resolution of complaints.*
 - vi. *The proposal of scheme of arrangement shall be considered as approved only if the vote cast by public shareholders in favour of the proposal is more than the number of votes cast by public shareholders against it.*
- i) *The Company shall ensure that the proposed equity shares, if any, to be issued in terms of the “Scheme” shall mandatorily be in demat form only.*
- j) *The Company shall ensure that the “Scheme” shall be acted upon subject to the Company complying with the relevant clauses mentioned in the scheme document.*
- k) *The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/ tribunals shall be made without specific written consent of SEBI.*
- l) *The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- m) *The Company shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder, including obtaining the consent from the creditors for the proposed scheme.*
- n) *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI /stock exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

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Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India Limited (NSE), should not i



with the Circular to SEBI and
Date: Fri Feb 28 2025 12:43:24 IST
Location: NSE
be deemed or construed that

the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Listed entity involved in the proposed Scheme shall disclose the No-Objection Letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from February 28, 2025, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Saili Kamble
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

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Signer: SAILI MOHAN KAMBLE
Date: Fri, Feb 28, 2025 12:43:21 IST
Location: NSE

DCS/AMAL/TS/R37/3547/2024-25

February 27, 2025

To,

The Company Secretary,
Paradeep Phosphates Limited
Orissa State Handloom Weavers Co-Operative
Building, 5th floor, Pandit J. N Marg,
Bhubaneswar, Orissa, 751001

The Company Secretary,
Mangalore Chemicals & Fertilizers Limited
Level 11, UB Tower, UB City, No. 24, Vittal
Mallya Road, Bengaluru, Karnataka, 560001

Sub: Observation letter regarding the Composite Scheme of Arrangement amongst Mangalore Chemicals & Fertilizers Limited ("Transferor Company") and Paradeep Phosphates Limited ("Transferee Company")

We refer to the Composite Scheme of Arrangement amongst Mangalore Chemicals & Fertilizers Limited ("Transferor Company") and Paradeep Phosphates Limited ("Transferee Company") and its respective shareholders and creditors filed with the Exchange under Regulation 37 of SEBI LODR Regulations, 2015, read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and Reg. 94(2) of SEBI LODR Regulations, 2015.

In this regard, SEBI vide its Letter dated February 27, 2025, has inter alia given the following comment(s) on the said Scheme of Arrangement:

- A. "The Entity shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- B. "The Entity is advised that, the additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges."
- C. "The Entity shall ensure compliance with the SEBI circulars issued from time to time."
- D. "The entities involved in the Scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."
- E. "The Entity is advised that the information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."
- F. "The Entity shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
- G. "The Entity is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."



- H. "The entities are advised to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013 –
- i. Details of (pre & post scheme) Assets and Liabilities of Paradeep and Mangalore, as applicable.
 - ii. Valuation methods, rationale and assumptions considered for arriving at the share exchange ratio.
 - iii. Rationale & synergies of the scheme and its impact on the public shareholders.
 - iv. Impact, if any, of the liabilities of Mangalore on the business of Paradeep post scheme of arrangement.
 - v. Details of complaints received, if any, along with response of the company for resolution of complaints.
 - vi. The proposal of scheme of arrangement shall be considered as approved only if the vote cast by public shareholders in favour of the proposal is more than the number of votes cast by public shareholders against it.
- I. "The Entity is advised that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only."
- J. "The Entity is advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."
- K. "No changes to the draft scheme except those mandated by the regulators / authorities / tribunals shall be made without specific written consent of SEBI."
- L. "The Entity is advised that the observations of SEBI / Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT."
- M. "The Entity is advised to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
- N. "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments / observations on draft scheme by SEBI / stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- i. To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- ii. To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- iii. To duly comply with various provisions of the circulars.

JP. SV.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Please note that the submission of documents/information, in accordance with the circular to SEBI / Exchange should not in any way be deemed or construed that the same has been cleared or approved by SEBI / Exchange. SEBI / Exchange does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the document submitted.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

Kindly note that as required under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

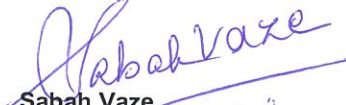
Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,


Sabah Vaze
Senior Manager


Jayanti Pradhan
Assistant Manager