Annexure 5

FEDEX SECURITIES PVT LTD
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SEBI REGN. NO. INM 000010163
Strictly Private & Confidential

Dated: February 7, 2024

The Board of Directors

Mangalore Chemicals & Fertilizers Limited
Level 11, UB Tower,
UB City 24, Vittal Mallya Road,
Bengaluru - 560 001, Karnataka

Dear Members of the Board:

Sub: Fairness opinion towards the proposed amalgamation of Mangalore Chemicals & Fertilizers Limited ("MCFL" or "Transferor Company" or "Company") with Paradeep Phosphates Limited ("PPL" or "Transferee Company") under Sections 230 to 232 and other applicable provisions and rules framed thereunder ("Scheme")

We refer to our letter of engagement ("**LoE**") whereby Fedex Securities Private Limited ("**Fedex**") is *inter alia* engaged to provide a fairness opinion (*as defined*) on the Equity Share Exchange Ratio (*as defined herein*) recommended by the Registered Valuer (*as defined herein*) for the proposed amalgamation of Mangalore Chemicals & Fertilizers Limited ("**MCFL**" or "**Transferor Company**" or "**Company**") with Paradeep Phosphates Limited ("**PPL**" or "**Transferee Company**") ("**Proposed Amalgamation**") under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder ("**Proposed Scheme**"). We understand that the Proposed Scheme will be considered by the Board of Directors.

Brief Background and Purpose

Paradeep Phosphates Limited ('PPL' or 'Transferee Company')
PPL is primarily engaged in the business of manufacturing Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades and Zypmite (Gypsum based product) having its manufacturing facilities at the port town of Paradeep, District: Jagatsinghpur, Odisha and at Zuari Nagar, Goa. PPL is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. PPL caters to the demands of farmers all over the country through its "Navratna" brand of fertilizers. The standalone revenue from operations of the Transferee Company for nine months period ended December 31, 2023 is INR 9,332.38 crores. The equity shares of PPL are listed on both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Mangalore Chemicals & Fertilizers Limited ('MCFL' or 'Transferor Company')
MCFL is primarily engaged in the business of manufacturing, purchase and sale of fertilisers. It manufactures both Nitrogenous and Phosphatic fertilizers and is the only manufacturer of fertilizers in the state of Karnataka. MCFL mainly sells in the states of Karnataka, Kerala and in the neighbouring states of Tamil Nadu, Andhra Pradesh, Telangana and Maharashtra. MCFL is a subsidiary of Zuari Agro Chemicals Limited ('ZACL'), an Adventz Group company. The revenue from operations of the Transferor Company for nine months period ended December 31, 2023 is INR 3,009.05 crores. The equity shares of MCFL are listed on both NSE and BSE.

PPL and MCFL are hereinafter together referred to as the "**Transacting Companies**" or "**the Companies**" and individually referred to as "**Company**", as the context may require.

For the purpose of the Proposed Amalgamation, the Companies have appointed Pawan Shivkumar Poddar, Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126 as Registered Valuers and SSPA & Co., Chartered Accountants ("**SSPA**") as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126 to determine the Equity Share Exchange Ratio (*as defined below*) and has in terms of the LoE the Board of Directors of the Transferee Company has requested Fedex Securities Private Limited to examine the Valuation Report issued by the Registered Valuers and other related information provided by the Company and issue our independent opinion as to the fairness of the Equity Share Exchange Ratio ("**Fairness Opinion**") as per the requirements of the relevant SEBI circulars ("**SEBI Circulars**"). This Fairness Opinion is being provided solely to the Board of Directors of the Transferee Company and strictly within this context and is not intended to represent the valuation at which such transaction is carried out, and does not address the Transferee Company or Transferor Company (or any other party's) underlying business decision to proceed with or effect any commercial decisions relating to the Proposed Scheme.

This fairness opinion is intended only for the sole use and information of the Board of Directors of the Transferor Company and only in connection with the Proposed Amalgamation. We are not responsible in any way to any other person / party for any decision of such person or party based on this fairness opinion. Any person / party intending to provide finance / invest in the shares / business of any of the companies involved in the Proposed Amalgamation or their subsidiaries / joint ventures / associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this fairness opinion or any part thereof, other than in connection with the Proposed Amalgamation as aforesaid can be done only with our prior permission in writing.

As per the Valuation Report dated February 7, 2024, the Registered Valuers have recommended the following equity share exchange ratio for equity shareholders of Mangalore Chemicals & Fertilizers Limited with Paradeep Phosphates Limited ("Equity Share Exchange Ratio") as under:

"187 equity shares of PPL having a face value of INR 10 each fully paid-up shall be issued for every 100 equity shares held in MCFL having face value of INR 10 each fully paid-up"

The Proposed Scheme provides, *inter alia*, for:

a) the amalgamation of the Transferor Company with and into the Transferee Company as a going concern, the issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Proposed Scheme and in compliance with the Act, the SEBI Scheme Circular, SEBI LODR Regulations and Section 2 (1B) and other relevant provisions of the Income Tax Act;

b) the transfer of the Identified Shares from the Transferor Shareholder to the Transferee Shareholder; and

c) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the authorized share capital of the Transferee Company.

All terms not specifically defined in this Fairness Opinion Report shall carry the same meaning as in the Proposed Scheme.

For avoidance of doubt, this Fairness Opinion is not to be construed as financial advice in relation to the sale of, or subscription for, any shares in the Transferor Company and/or the Transferee Company to any person.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Equity shares exchange ratio report dated February 7, 2024 issued by the Registered Valuers ("**Valuation Report**");
2. Draft of the Proposed Scheme;
3. Historical financial information for the year ended March 31, 2023 of the Transferor Company and the Transferee Company;
4. Limited reviewed financial statements of the Transferor Company and the Transferee Company for the nine months period ended December 31, 2023 ('9ME Dec23')
5. Financial Projections of the Transferor Company and the Transferee Company which represents the Management's best estimate of the future financial performance of the Transacting Companies ('Management Projections');
6. Details of Employee Stock Ownership Plan of the Transferee Company as at the Valuation Date;
7. Management Representation Letter;
8. Necessary clarifications, explanations and information (including oral) from the Registered Valuers;
9. Necessary explanations and information from the representatives of the Transferor Company and the Transferee Company; and
10. Other information as available in public domain.

Limitation of Scope and Review

Our fairness opinion is subject to the scope limitations detailed hereinafter. As such the fairness opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Companies including their respective working results or businesses referred. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this fairness opinion. Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion as described hereinabove. It may not be valid for any other purpose or if provided on behalf of any other entity. Our fairness opinion is addressed to and is solely for the benefit of the Board of Directors of the Transferor Company and should not be publicly or otherwise circulated, provided or disclosed to any person, authority (including regulatory authority), entity or any public or private platform without our prior written consent. No other person, entity or regulatory authority shall, save with our written consent, rely on this opinion or any part thereof.

We have considered financial information in our analysis and have made adjustments for facts made known to us till the date of our report, including taking into consideration current market parameters. An exercise of this nature involves consideration of various factors. This fairness opinion is issued on the understanding that each of the Companies have drawil our attention to all the matters which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses up to the date of approval of the Proposed Scheme by the Board of Directors. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided without detailed inquiry. Also, we assume that the management of each of the Companies, has not omitted any relevant and material factors for the purposes of the work which we have undertaken in connection with this fairness opinion.

We shall have no obligation to verify the accuracy or completeness of any information or express any opinion or offer any form of assurance regarding the accuracy or completeness of such information and shall not assume any liability therefor. We assume no responsibility whatsoever for any errors in the information furnished to us and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the shareholders or secured or unsecured creditors of each of the Companies, as to how they should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Scheme. We also express no opinion and accordingly accept no responsibility with respect to the financial performance of the Companies following the consummation of the Scheme. We also express no opinion on the likely market price of the Companies post the consummation of the Scheme.

No investigation with respect to the claim to title of assets of each of the Companies has been made for the purpose of this exercise and the same has been assumed to be valid. We have not placed any individual value on the assets of each of the Companies and have also not considered any liens or encumbrances on the same. Further we have not opined and accordingly do not take responsibility whatsoever for matters of a legal nature. Also, we are not opining on matters related to taxation. This fairness opinion should not be construed as a certification regarding the compliance of the Proposed Scheme with the provisions of any law including Companies Act, tax laws and capital market related laws or as regards any legal implications or issues arising from the Proposed Scheme.

We and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, corporate advisory and other financial services to the Transferor Company and its subsidiaries, joint ventures, associates and/or affiliates, as the case may be and have received or in the future may receive compensation for the rendering of these services.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of Companies that may be the subject matter of this Proposed Scheme for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities and may vote at any general meeting as they deem fit. In addition, we and our affiliates maintain relationships with the Transferor Company, the Transferor Company and their respective affiliates.

In arriving at our opinion, we have assumed and relied upon, without any independent verification or validation, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and have relied upon the assurances of the management of the Transferor Company that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the financials and forecasts, we have been advised by the Transferor Company, and have assumed, that: (i) they have been reasonably prepared and/or confirmed on bases reflecting the best currently available estimates and good faith judgements of the management of the Transferor Company as to the future financial performance of the Companies or their respective subsidiaries and/or associates, as the case may be and (ii) they are based on the understanding of the management of the Transferor Company of the current business strategy, operations, competition and macro-economic indicators and involves known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results to be materially different from any future results, performance or achievements expressed or implied by the financials and forecast of the Companies or their respective subsidiaries and/or associates.

Without limiting the generality of the foregoing, we have also assumed, at the direction of the Transferor Company, their associates, as applicable, will receive all statutory clearances with respect to their respective operations in accordance with the assumptions regarding such clearances in their financials and forecasts.

We have been informed by the management of the Transferor Company that the financials and forecasts provided to us have been prepared in accordance with Indian Accounting Standards (Ind-AS). We have not made or been provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of the Companies or their associates, as applicable, and/or any other entity (other than the Valuation Report, which we have reviewed and relied upon without independent verification for purposes of this opinion), nor have we made any physical inspection or title verification of the properties or assets of the Companies, their associates, as applicable, and/or any other entity, and we do not express any opinion as to the value of any asset of the Companies, their respective subsidiaries and/or associates, as applicable, and/or any other entity, whether at current prices or in the future. We have not evaluated the solvency or fair value of the Companies, their respective subsidiaries and/or associates, as applicable, and/or any other entity under the laws of India or any other laws relating to bankruptcy, insolvency or similar matters.

We have assumed, at the direction of the Transferor Company, that Proposed Amalgamation will be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, judicial, regulatory and other approvals, consents, releases and waivers for Proposed Amalgamation, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on the Transferor Company, their associates, as applicable, and/or any other entity or the contemplated benefits of Proposed Amalgamation. We also have assumed, at the direction of the Transferor Company, that the final executed Proposed Scheme will not differ in any material respect from the Draft Scheme reviewed by us.

We have not undertaken any independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities, or any settlements thereof, to which the Transferor Company, their associates, as applicable, and/or any other entity, are or may be a party or are or may be subject, and this opinion does not consider the potential effects of any such litigation, actions, claims, other contingent liabilities or settlements.

We express no view or opinion as to any terms or other aspects or implications of the Proposed Amalgamation (other than the Equity Share Exchange Ratio to the extent expressly specified herein), including, without limitation, the form or structure of the Proposed Amalgamation, the taxation impact of the Proposed Amalgamation or the Equity Shares issued and allotted under the Proposed Amalgamation or any terms or other aspects or implications of any other agreement, arrangement or understanding entered into in connection with or related to the Proposed Amalgamation or otherwise. We were not requested to, and we did not, participate in the negotiation of the terms of the Proposed Amalgamation. Our opinion does not address any matters otherwise than as expressly stated herein, including but not limited solely to matters such as corporate governance, shareholder rights or any other equitable consideration, and is limited to the fairness, from a financial point of view, to the Public Shareholders of the Transferor Company of the Equity Share Exchange Ratio provided for in the Proposed Scheme and no opinion or view is expressed with respect to any consideration received in connection with the Proposed Amalgamation by the holders of any other class of securities, creditors or other constituencies of any party. In addition, no opinion or view is expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the Proposed Amalgamation, or class of such persons, relative to the Equity Share Exchange Ratio. Furthermore, no opinion or view is expressed as to the relative merits of the Proposed Amalgamation in comparison to other strategies or transactions that might be available to the Transferor Company or in which the Transferor Company might engage or as to the underlying business decision of the Transferor Company to proceed with or effect the Proposed Amalgamation. Further, the Transferor Company will remain solely responsible for the commercial assumption on which this opinion is based and for its decision to proceed with the Proposed Amalgamation.

Further, our opinion does not take into account any corporate actions of the Transferor Company after the date hereof, including payment of dividends. We are not expressing any opinion as to what the value of the Equity Shares actually will be when issued or the prices at which the Equity Shares will trade at any time, including following announcement or consummation of the Proposed Amalgamation. In addition, we express no opinion or recommendation as to how any shareholder, creditor or other person should vote or act in connection with the Proposed Amalgamation or any related matter. In addition, we are not expressing any view or opinion with respect to, and have relied, with the consent of the Transferor Company, upon the assessments of representatives of the Transferor Company regarding, legal, regulatory, accounting, tax and other matters relating to the Companies, any of their respective subsidiaries and/or associates, as applicable, or any other entity and the Proposed Amalgamation (including the contemplated benefits of the Proposed Amalgamation) as to which we understand that the Transferor Company obtained such advice as it deemed necessary from qualifies professionals.

We have also assumed that all aspects of the Proposed Amalgamation and any other transaction contemplated in the Scheme would be in compliance with applicable laws and regulations, and we have issued this opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance, including without limitation, compliance with the provisions of SEBI Regulations. Without prejudice to the generality of the foregoing, we express no opinion and have assumed that the Proposed Amalgamation will not trigger obligation to make open offers under the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and accordingly, we have not considered the consequences or impact on us, if any such offers are mandated, and we have also assumed that the Proposed Amalgamation will not result in any adverse effect on us or our business, whether under tax or other laws or under the terms of any license or approval.

We have acted as financial advisor to the Board of Directors of the Transferor Company to render this opinion and will receive a fee for our services, which will be paid upon the rendering of this opinion. In addition, the Transferor Company has agreed to reimburse our expenses (subject to certain restrictions) and indemnify us against certain liabilities arising out of our engagement. For avoidance of any doubts, it is clarified that fees payable to Fedex Securities Private Limited by the Transferor Company and are not in any way contingent upon nature of opinion provided to the Transferor Company.

It is understood that this letter is for the benefit and use of the Board of Directors of the Transferor Company (in its capacity as such) in connection with and for purposes of its evaluation of the Proposed Amalgamation and is not rendered to or for the benefit of, and shat not confer rights or remedies upon, any person other than the Board of Directors of the Transferor Company. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall

any public reference to us be made, for any purpose whatsoever except (i) with our prior written consent in each instance; (ii) as required to be disclosed by the Transferor Company to the Stock Exchanges pursuant to applicable laws and may be disclosed on the website of the Transferor Company and the Stock Exchanges to the extent required under applicable laws and further may also be made a part of the explanatory statement to be circulated to the shareholders and/or creditors of the Transferor Company; and (iii) as required to be disclosed to relevant judicial, regulatory or government authorities, in each case only as may be mandatorily required by applicable laws. Our opinion is necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion, and we do not have any obligation to update, revise, or reaffirm this opinion.

The laws of India govern all matters arising out of or relating to this Fairness Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Fairness Opinion the courts of competent jurisdiction in Mumbai, India shall have exclusive jurisdiction.

Distribution of this Fairness Opinion

The Fairness Opinion is addressed to the Board of Directors of the Transferor Company (in its capacity as such) solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Registered Valuers and for the purpose of submission to the Stock Exchanges, National Company Law Tribunal along with the application/petition for the Proposed Scheme and such other regulatory authorities under SEBI Circular and /or Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. In no circumstances however, will Fedex or its directors, officers, employees and controlling persons of Fedex accept any responsibility or liability including any pecuniary or financial liability to any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Equity Share Exchange Ratio as recommended by the Valuer, is Fair from a financial point of view to the shareholders of the Transferor Company.

Yours truly,
For, **Fedex Securities Private Limited**

FEDEX SECURITIES PVT. LTD. MUMBAI

Uday Nair
Director
DIN: 03431884