

November 3, 2022

BSE Limited,
Floor 25, P.J. Towers,
Dalal Street,
Mumbai-400001

National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra East,
Mumbai-400051

Mangalore Chemicals and Fertilizers Limited
Level 11, UB Tower, UB City 24,
Vittal Mallya Road,
Bengaluru, Karnataka-560001.

Dear Sirs,

Subject: Disclosure of reasons for encumbrance by promoter of listed companies.

In terms of SEBI Circular SEBI/HO/CFD/DCR1/CIR/P/2019/90 dated August 7, 2019, Please find enclosed herewith disclosure for creation of new encumbrance (encumbrance No. 6 & 7) on 1st November, 2022.

Kindly take the above information in your record.

Thanking You,

Yours Faithfully,
For Zuari Agro Chemicals Limited

A handwritten signature in blue ink, appearing to read 'Gaurav Dutta'.

Gaurav Dutta
Company Secretary

Encl: As above

ZUARI AGRO CHEMICALS LIMITED

CIN No.: L65910GA2009PLC006177

Registered Office: Jaikisaan Bhawan, Zuarinagar, Goa - 403 726, India.

Tel: +0832 2592180, 2592181, 6752399

www.zuari.in

Annexure – 2

Format for disclosure of reasons for encumbrance

(In addition to Annexure - I prescribed by way of circular dated August 05, 2015)

Name of listed company	Mangalore Chemicals and Fertilizers Limited
Name of the recognised stock exchanges where the shares of the company are listed	BSE Limited, National Stock Exchange of India Limited
Name of the promoter(s) / PACs whose shares have been encumbered	Zuari Agro Chemicals Limited
Total promoter shareholding in the listed company	No. of shares – 6,40,28,362 % of total share capital - 54.03
Encumbered shares as a % of promoter shareholding	100 %
Whether encumbered share is 50% or more of promoter shareholding	YES
Whether encumbered share is 20% or more of total share capital	YES

Details of all the existing events/ agreements pertaining to encumbrance

		Encumbrance 1 (Date of creation of encumbrance: 20/07/2018)	Encumbrance 2 (Date of creation of encumbrance 24/08/2021)	Encumbrance 3 (Date of creation of encumbrance 24/08/2021)	Encumbrance 4 (Date of creation of encumbrance 25/02/2022, 04/03/2022 08/03/2022 and 25/05/2022)	Encumbrance 5 (Date of creation of encumbrance 31/05/2022)
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)		Pledge	Non Disposable Undertaking	Negative lien	Pledge	Pledge
No. and % of shares encumbered		70,95,050 (Please refer Note 2) 5.99	6,40,28,362 54.03	Negative lien not to create further charge, lien, pledge, encumbrance over and above the MCFL shares	2,32,14,286 (Refer Note 18) 19.59	50,00,000 (Please refer Note17) 4.22

				already pledged by the Company.		
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Vistra ITCL India Ltd- Security Trustee on behalf of lender HDFC Limited	State Bank of India	State Bank of India	Vistra ITCL (India) Limited (Debenture Trustee) acting on behalf of Debenture Holders i.e. Centrum Credit Opportunities Trust & other investors brought in by Centrum	Vistra ITCL India Ltd , Security Trustee on behalf of lender Unity Small Finance Bank Limited
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	Corporate Trustee, Public Company Vistra ITCL (India) Limited provides non-banking financial services. The Company offers trustee services, such as debentures and bonds, private equity, alternate funds, and bank lending, as well as corporate formation and market entry, due diligence, enforcement, and monitoring services to banks, financial institutions, corporates, funds, governments, and insurance companies.	Scheduled Commercial Bank	Scheduled Commercial Bank	Corporate Trustee, Public Company Vistra ITCL (India) Limited provides non-banking financial services. The Company offers trustee services, such as debentures and bonds, private equity, alternate funds, and bank lending, as well as corporate formation and market entry, due diligence, enforcement, and monitoring services to banks, financial institutions, corporates, funds, governments, and insurance companies.	Corporate Trustee, Public Company Vistra ITCL (India) Limited provides non-banking financial services. The Company offers trustee services, such as debentures and bonds, private equity, alternate funds, and bank lending, as well as corporate formation and market entry, due diligence, enforcement, and monitoring services to banks, financial institutions, corporates, funds, governments, and insurance companies.
	Names of all other entities in the agreement Listed company and its group companies (if any) – 1. ... 2. ... Other entities (if any) – 1. ... 2. ...	-	Zuari Agro Chemicals Limited Mangalore Chemicals and Fertilizers Limited	Zuari Agro Chemicals Limited Mangalore Chemicals and Fertilizers Limited	-	-
	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about	No	No	No	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? - YES provide details about the instrument, including credit rating YES / NO : If yes,	No

	<p>the instrument, including credit rating YES / NO : No</p> <p>If yes,</p> <p>1. Name of the issuer</p> <p>2. Details of the debt instrument</p> <p>3. Whether the debt instrument is listed on stock exchanges?</p> <p>4. Credit Rating of the debt instrument</p> <p>5. ISIN of the instrument</p>				<p>1. Name of the issuer : ZACL</p> <p>2. Details of the debt instrument- 1250 Secured, Redeemable, Unrated and Unlisted Non-Convertible Debentures (NCDs) on Private Placement basis having face value of INR 10,00,000 each aggregating to Rs. 125,00,00,000/-</p> <p>3. Whether the debt instrument is listed on stock exchanges? No</p> <p>4. Credit Rating of the debt instrument -N.A.</p> <p>5. ISIN of the instrument INE840M07039, INE840M07013 and INE840M07021</p>	
Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	Rs. 1815094390.2	Rs.4,55,24,16,538.2		Rs.1,75,73,21,450.2	50,55,00,000
	Amount involved (against which shares have been encumbered) (B)	Rs. 185,00,00,000	Rs.75,00,00,000	Rs.75,00,00,000	Rs.125,00,00,000	25,00,00,000
	Ratio of A / B	0.98	6.06		1.41	2.02
End use of money	<p>Borrowed amount to be utilized for what purpose –</p> <p>(a) Personal use by promoters and PACs</p> <p>(b) For the benefit of listed company</p> <p>Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc.</p> <p>(a) Any other reason (please specify)</p>	Pledge was created in favour of Vistra ITCL (India) Limited, Security Trustees, for securing the Rupee Term Loan of INR 185 crores given by HDFC Limited.	The Company has provided Non Disposable Undertaking (NDU) dated 24-08-2021 on the shares held by the Company in MCFL to State Bank of India for the Term Loan to be availed by MCFL for an aggregate amount not exceeding Rs. 75 crores from State Bank of India to raise funds for its energy improvement project.	The Company has provided Negative Lien letter dated 24-08-2021 to State Bank of India not to create further charge, lien, pledge, encumbrance over and above the MCFL shares already pledged by the Company for the Term Loan to be availed by MCFL for an aggregate amount not exceeding Rs. 75 crores from State Bank of India to raise funds for its energy improvement project.	<p>The Company had created pledge on the equity shares held in MCFL in favour of Vistra ITCL (India) Limited (Debenture Trustee) to secure the Non Convertible Debentures (NCDs) of aggregate value of Rs. 125 crores which were issued by the Company to Debenture Holders.i.e. Centrum Credit Opportunities Trust and other investors brought in by the Centrum</p> <p>The NCDs were issued for the purpose of (a) repayment of existing identified debt (b) long term working capital purposes (c) for transaction related costs and expenses</p>	The Company has created pledge on the equity shares held in MCFL in favour of Vistra ITCL (India) Limited (Security Trustee) to secure the term loan of Rs. 25 crores availed by the Company from Unity Small Finance Bank Limited. The loan has been borrowed for the purpose of long term working capital requirement of the Company.

		Encumbrance 6 (Date of creation of encumbrance 01/11/2022)	Encumbrance 7 (Date of creation of encumbrance 01/11/2022)
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)		Pledge	Pledge
No. and % of shares encumbered		54,00,000 4.56	6,00,000 0.51
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Vistra ITCL (India) Limited (Debenture Trustee) acting on behalf of the Debenture Holders i.e. Centrum Credit Opportunities Trust & other investors brought in by Centrum	Vistra ITCL India Ltd , Security Trustee on behalf of lender Unity Small Finance Bank Limited
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity	Corporate Trustee, Public Company Vistra ITCL (India) Limited provides non-banking financial services. The Company offers trustee services, such as debentures and bonds, private equity, alternate funds, and bank lending, as well as corporate formation and market entry, due diligence, enforcement, and monitoring services to banks, financial institutions, corporates, funds, governments, and insurance companies.	Corporate Trustee, Public Company Vistra ITCL (India) Limited provides non-banking financial services. The Company offers trustee services, such as debentures and bonds, private equity, alternate funds, and bank lending, as well as corporate formation and market entry, due diligence, enforcement, and monitoring services to banks, financial institutions, corporates, funds, governments, and insurance companies.
	Names of all other entities in the agreement Listed company and its group companies (if any) – 1. 2. ...	-	-

	Other entities (if any) – 1. 2. ...		
	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating YES / NO : No If yes, 1. Name of the issuer 2. Details of the debt instrument 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? - YES provide details about the instrument, including credit rating YES / NO : If yes, 1. Name of the issuer : ZACL 2. Details of the debt instrument- 1250 Secured, Redeemable, Unrated and Unlisted Non-Convertible Debentures (NCDs) on Private Placement basis having face value of INR 10,00,000 each aggregating to Rs. 125,00,00,000/- 3. Whether the debt instrument is listed on stock exchanges? No 4. Credit Rating of the debt instrument – N.A. 5. ISIN of the instrument - INE840M07039, INE840M07013 and INE840M07021	No.
Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	Rs. 48,57,30,000	5,39,70,000
	Amount involved (against which shares have been encumbered) (B)	125,00,00,000	25,00,00,000
	Ratio of A / B	0.39	0.22

End use of money	<p>Borrowed amount to be utilized for what purpose –</p> <p>(a) Personal use by promoters and PACs</p> <p>(b) For the benefit of listed company</p> <p>Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc.</p> <p>(a) Any other reason (please specify)</p>	<p>The Company has created additional pledge on the equity shares held in MCFL in favour of Vistra ITCL (India) Limited (Debenture Trustee) to secure the Non Convertible Debentures (NCDs) of aggregate value of Rs. 125 crores which were issued by the Company to Debenture Holders.i.e. Centrum Credit Opportunities Trust and other investors brought in by the Centrum</p> <p>The NCDs were issued for the purpose of (a) repayment of existing identified debt (b) long term working capital purposes (c) for transaction related costs and expenses</p>	<p>The Company has created additional pledge on the equity shares held in MCFL in favour of Vistra ITCL (India) Limited (Security Trustee) due to shortfall in the security provided for the term loan of Rs. 25 crores availed by the Company from Unity Small Finance Bank Limited. The loan has been borrowed for the purpose of long term working capital requirement of the Company.</p>
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Note 1 :

The National Company Law Tribunal, vide an order dated September 14, 2017, sanctioned the Scheme of Amalgamation amongst Zuari Fertilisers and Chemicals Limited, Zuari Agri Sciences Limited and Zuari Speciality Fertilisers Limited (together the "Erstwhile Subsidiaries") and their respective shareholders and creditors, under Section 391 to 394 of the Companies Act, 1956. Pursuant to the Scheme of Amalgamation, the Erstwhile Subsidiaries were amalgamated with our Company with effect from November 13, 2017. The appointed date for the Scheme of Amalgamation was April 1, 2015. In terms of the scheme, 6,28,43,211 equity shares of Rs. 10 each of MCFL which were held by Zuari Fertilisers and Chemicals Limited were acquired by Zuari Agro Chemicals Limited as of the effective date i.e. 13, November, 2017 as per Reg 10(1)(d)(iii) of SEBI (Substantial Acquisition of Shares & Takeover) Regulation, 2011.

Pledge was created on 14/05/2015 and 21/05/2015 on 97,57,105 shares i.e. 8.23% of paid up capital and on 1,16,32,715 shares i.e. 9.82% of paid up capital resp. of Mangalore Chemicals & Fertilizers Limited by erstwhile subsidiary i.e Zuari Fertilisers and Chemicals Limited in favour of IL & FS Financial Services Limited. On 6/03/2018 out of 2,13,89,820 pledged shares, 2,12,38,488 shares were released by IL & FS Financial Services Limited upon repayment of loan.

On 20/09/22, 151332 shares pledged in favour of IL & FS Financial Services Limited has been released on account of repayment of loan.

Note 2 :

Out of 6,38,77,030 shares of MCFL pledged by ZACL in favour of Vistra ITCL India Ltd (Security Trustee), 4,37,81,980 shares has been released by Vistra ITCL India Ltd (Security Trustee).

On 8/2/2022 out of 2,00,95,050 shares pledged in favour of Vistra ITCL India Ltd (Security Trustee) on behalf of lenders HDFC Limited, 45,00,000 were released due to appreciation in the price of security provided and on account of part repayment of loan.

On 11/5/2022 out of 1,55,95,050 shares pledged in favour of Vistra ITCL India Ltd (Security Trustee) on behalf of lenders HDFC Limited, 45,00,000 were released due to appreciation in the price of security provided and on account of part repayment of loan.

On 19/8/2022 out of 1,10,95,050 shares pledged in favour of Vistra ITCL India Ltd (Security Trustee) on behalf of lenders HDFC Limited, 40,00,000 were released due to appreciation in the price of security provided.

Note 3:

Out of 90,00,000 shares of MCFL Pledged in favour of Chartered Finance & Leasing Limited by ZACL on 18/12/2020, 25,00,000 shares of MCFL has been released by Chartered Finance & Leasing Limited on 24/02/2021. 15,80,000 shares have been released by Chartered Finance & Leasing Limited on 31/05/2021.

Out of the balance 49,20,000 pledged shares in favour of Chartered Finance & Leasing Limited, 3,00,000 shares have been released on 7/1/2022.

On 2/3/2022, the Balance 46,20,000 pledged shares of MCFL in favour of Chartered Finance & Leasing Limited were released on account of repayment of loan.

Note 4:

Out of 76,95,000 shares of MCFL Pledged in favour of KLJ Plasticizers Ltd by ZACL on 20/03/2021 and 26/04/2021, 6,95,000 shares of MCFL has been released by KLJ Plasticizers Ltd on 17/05/2021
On 28/02/2022, the balance 70,00,000 shares pledged of MCFL in favour of KLJ Plasticizers Ltd were released on account of full repayment of loan.

Note 5:

On 15.9.2021 , 13,30,000, 34,60,000 and 18,60,000 equity shares of MCFL were released by Radhamani India Ltd., Sanwaria Marketing Pvt and Basukinath Developers Private. Ltd. resp on account of repayment of loan by Zuari Agro Chemicals Limited.

Note 6:

On 20/12/2021, 49,20,000 equity shares held by the Company in MCFL were released by Shine Star Build Cap Pvt. Ltd on account of repayment of loan by the Company.

Note 7:

On 23/12/2021, 49,20,000 equity shares held by the Company in MCFL were released by Violet Buildwell Private Limited on account of repayment of loan by the Company.

Note 8:

On 4/1/2022, Out of 49,20,000 equity shares pledged in favour of Shine Star Build Cap Pvt. Ltd, 3,00,000 were released on account of part prepayment of loan.
On 2/3/2022, the Balance 46,20,000 pledged shares of MCFL in favour of Shine Star Build Cap Pvt. Ltd were released on account of repayment of loan.

Note 9:

On 7/2/2022, 12,50,000 shares Pledged in favour of APM Finserv Limited were released on account of repayment of loan

Note 10:

On 2/3/2022, 15,40,000 shares Pledged in favour of Bhansali Fincom Pvt. Ltd. were released on account of repayment of loan

Note 11:

On 3/3/2022, 15,40,000 shares Pledged in favour of InfoSoft Global Pvt Ltd. were released on account of repayment of loan

Note 12:

On 08/03/2022, 28,50,000 shares pledged in favour of SKS Fincap Private Limited were released on account of repayment of loan

Note 13:

On 07/04/2022, 12,50,000 shares pledged in favour of Mechel Somani Carbon Private Limited and 12,50,000 shares pledged in favour of Indo German International Private Limited were released on account of repayment of loan

Note 14:

On 12/4/2022, Out of 43,00,000 equity shares pledged in favour of Cuprum Bagrodia Limited, 10,00,000 were released due to appreciation in the price of security provided for Loan availed.
On 31/05/2022, 33,00,000 shares pledged in favour of Cuprum Bagrodia Limited were released on account of full repayment of loan

Note 15:

On 19/4/2022, Out of 30,00,000 equity shares pledged in favour of P P Suppliers and Agencies Private Limited, 8,00,000 were released due to appreciation in the price of security provided for Loan availed.
On 05/07/2022, 22,00,000 shares pledged in favour of P P Suppliers and Agencies Private Limited were released on account of full repayment of loan

Note 16:

On 12/07/2022, 45,00,000 shares pledged in favour of Followel Engineering Limited were released on account of full repayment of loan

Note 17:

On 22-08-22, out of 60,00,000 shares pledged in favour of Vistra ITCL (India) Limited on behalf of the lenders Unity Small Finance Bank Limited , 10,00,000 shares have been released due to appreciation in the price of security provided for the loan


Note 18:

On 29-08-22 and 02-09-22, out of 70,00,000 shares pledged, 40,00,000 and 30,00,000 shares have been released by Vistra ITCL (India) Limited due to price appreciation against NCD issued by Company to Centrum Credit Opportunities Trust and other investors brought by Centrum.

Encumbrance created on 25/02/2022, 04/3/2022, 08/03/2022 and 25/05/2022 which was previously shown under separate columns has been merged and shown under encumbrance 4 under one column .

Value of 2,32,14,286 equity shares is calculated as on date of last encumbrance i.e. 25/05/2022

For Zuari Agro Chemicals Limited



Gaurav Dutta
Company Secretary

Date: 03-11-2022

Place: Gurugram, Haryana