



June 2, 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. 12) on 31<sup>st</sup> May, 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 'Vijayamahantesh Khannur'.

**Vijayamahantesh Khannur**  
**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](http://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: 14/05/2015 & 21/05/2015)	Encumbrance 2 (Date of creation of encumbrance: 20/07/2018 )	Encumbrance 3 (Date of creation of encumbrance 24/08/2021)	Encumbrance 4 (Date of creation of encumbrance 24/08/2021)	Encumbrance 5 (Date of creation of encumbrance 17/09/2021)
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	Non Disposable Undertaking	Negative lien	Pledge

No. and % of shares encumbered		1,51,332 <b>1)</b> 0.13	1,10,95,050 <b>(Please refer Note 2)</b> 9.36	6,40,28,362 54.03	Negative lien not to create further charge, lien, pledge, encumbrance over and above the MCFL shares already pledged by the Company.	45,00,000 3.79
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	IL & FS Financial Services Ltd	Vistra ITCL India Ltd- Security Trustee on behalf of lender HDFC Limited	State Bank of India	State Bank of India	Followel Engineering 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.	Yes.	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	NBFC
	Names of all other entities in the agreement Listed company and its group companies (if any) – 1. ... 2. ... Other entities (if any) – 1. ... 2. ...	Erstwhile subsidiary - Zuari Fertilisers and Chemicals Limited Refer Note 1	-	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 the instrument, including credit rating	No	No	No	No	-



	Encumbrance 6 (Date of creation of encumbrance 21/09/2021)	Encumbrance 7 (Date of creation of encumbrance 25/02/2022)	Encumbrance 8 (Date of creation of encumbrance 03/03/2022)	Encumbrance 9 (Date of creation of encumbrance 04/03/2022)
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	Pledge	Pledge
No. and % of shares encumbered	22,00,000 1.86 (Please refer Note 15)	1,10,00,000 9.28	70,00,000 5.91	68,14,286 5.75
Specific details about the encumbrance	P P Suppliers and Agencies Private Limited	Vistra ITCL (India) Limited (Debenture Trustee) acting on behalf of Centrum Credit Opportunities Trust and Centrum Capital Advisors Limited (Debenture Holders).	Vistra ITCL (India) Limited (Debenture Trustee) acting on behalf of Centrum Credit Opportunities Trust and Centrum Capital Advisors Limited (Debenture Holders).	Vistra ITCL (India) Limited (Debenture Trustee) acting on behalf of Centrum Credit Opportunities Trust and Centrum Capital Advisors Limited (Debenture Holders).
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.	NBFC	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, 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, 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, governments, and insurance companies.
Names of all other entities in the agreement Listed company and its group companies (if any) – 1. .... 2. ....				

	<p>Other entities (if any) –</p> <ol style="list-style-type: none"> <li>1. ....</li> <li>2. ....</li> </ol>	-	<p>Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? - <b>YES</b> provide details about the instrument, including credit rating</p> <p>YES / NO : No</p> <p>If yes,</p> <ol style="list-style-type: none"> <li>1. Name of the issuer</li> <li>2. Details of the debt instrument</li> <li>3. Whether the debt instrument is listed on stock exchanges?</li> <li>4. Credit Rating of the debt instrument</li> <li>5. ISIN of the instrument</li> </ol>	<p>Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? - <b>YES</b> provide details about the instrument, including credit rating</p> <p>YES / NO : No</p> <p>If yes,</p> <ol style="list-style-type: none"> <li>1. Name of the issuer : <b>ZACL</b></li> <li>2. Details of the debt instrument- <b>900 Secured, Redeemable, Unrated and Unlisted Non-Convertible Debentures (NCDs) on Private Placement basis having face value of INR 10,00,00,000/-</b></li> <li>3. Whether the debt instrument is listed on stock exchanges? <b>No</b></li> <li>4. Credit Rating of the debt instrument <b>-N.A.</b></li> <li>5. ISIN of the instrument <b>-INE840M07013</b></li> </ol>	<p>Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? - <b>YES</b> provide details about the instrument, including credit rating</p> <p>YES / NO : No</p> <p>If yes,</p> <ol style="list-style-type: none"> <li>1. Name of the issuer : <b>ZACL</b></li> <li>2. Details of the debt instrument- <b>900 Secured, Redeemable, Unrated and Unlisted Non-Convertible Debentures (NCDs) on Private Placement basis having face value of INR 10,00,00,000/-</b></li> <li>3. Whether the debt instrument is listed on stock exchanges? <b>No</b></li> <li>4. Credit Rating of the debt instrument <b>-N.A.</b></li> <li>5. ISIN of the instrument <b>-INE840M07013</b></li> </ol>	<p>Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? - <b>YES</b> provide details about the instrument, including credit rating</p> <p>YES / NO : No</p> <p>If yes,</p> <ol style="list-style-type: none"> <li>1. Name of the issuer : <b>ZACL</b></li> <li>2. Details of the debt instrument- <b>900 Secured, Redeemable, Unrated and Unlisted Non-Convertible Debentures (NCDs) on Private Placement basis having face value of INR 10,00,00,000/-</b></li> <li>3. Whether the debt instrument is listed on stock exchanges? <b>No</b></li> <li>4. Credit Rating of the debt instrument <b>-N.A.</b></li> <li>5. ISIN of the instrument <b>-INE840M07013</b></li> </ol>	<p>Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? - <b>YES</b> provide details about the instrument, including credit rating</p> <p>YES / NO : No</p> <p>If yes,</p> <ol style="list-style-type: none"> <li>1. Name of the issuer : <b>ZACL</b></li> <li>2. Details of the debt instrument- <b>900 Secured, Redeemable, Unrated and Unlisted Non-Convertible Debentures (NCDs) on Private Placement basis having face value of INR 10,00,00,000/-</b></li> <li>3. Whether the debt instrument is listed on stock exchanges? <b>No</b></li> <li>4. Credit Rating of the debt instrument <b>-N.A.</b></li> <li>5. ISIN of the instrument <b>-INE840M07013</b></li> </ol>
Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	Rs.21,75,00,000	Rs. 76,61,50,000	Rs. 49,10,50,000	Rs. 47,12,07,876.90		
	Amount involved (against which shares have been encumbered) (B)	Rs.10,00,00,000	Rs. 90,00,00,000	Rs. 90,00,00,000	Rs. 90,00,00,000		
	Ratio of A / B	2.17	0.85	0.55	0.52		

End use of money	Borrowed amount to be utilized for what purpose – (a) Personal use by promoters and PACS (b) For the benefit of listed company Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc. (a) Any other reason (please specify)	The Company has created pledge on the equity shares held in MCFI in favour of P P Suppliers and Agencies Private Limited to secure loan of Rs.10 crores availed by the Company from P P Suppliers and Agencies Private Limited. The loan has been borrowed for the purpose of working capital requirement of the Company	The Company has created pledge on the equity shares held in MCFI in favour of Vistra ITCL (India) Limited to secure the Non Convertible Debentures issued by the Company to Centrum Credit Opportunities Trust and Centrum Capital Advisors Limited (Debtenture Holders) of Rs. 75 crores and 15 crores resp. for the purpose of (a) repayment of existing identified debt (b) long term working capital purposes (c) for transaction related costs and expenses	The Company has created pledge on the equity shares held in MCFI in favour of Vistra ITCL (India) Limited (Debtenture Trustee) to secure the Non Convertible Debentures issued by the Company to Centrum Credit Opportunities Trust and Centrum Capital Advisors Limited (Debtenture Holders) of Rs. 75 crores and 15 crores resp. for the purpose of (a) repayment of existing identified debt (b) long term working capital purposes (c) for transaction related costs and expenses	The Company has created pledge on the equity shares held in MCFI in favour of Vistra ITCL (India) Limited (Debtenture Trustee) to secure the Non Convertible Debentures issued by the Company to Centrum Credit Opportunities Trust and Centrum Capital Advisors Limited (Debtenture Holders) of Rs. 75 crores and 15 crores resp. for the purpose of (a) repayment of existing identified debt (b) long term working capital purposes (c) for transaction related costs and expenses
		<b>Encumbrance 10</b> (Date of creation of encumbrance 08/03/2022)	<b>Encumbrance 11</b> (Date of creation of encumbrance 25/05/2022)	<b>Encumbrance 12</b> (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	Pledge	Pledge	
No. and % of shares encumbered		9,00,000 0.76	45,00,000 3.80	60,00,000 5.06	
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Vistra ITCL (India) Limited(Debtenture Trustee) acting on behalf of Centrum Credit Opportunities Trust and Centrum Capital Advisors Limited (Debtenture Holders). Corporate Trustee, Public Company	Vistra ITCL (India) Limited(Debtenture Trustee) acting on behalf of Centrum Capital Advisors Limited (Debtenture Holders). Corporate Trustee, Public Company	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.	Vistra ITCL (India) Limited provides non-banking financial services. The Company offers trustee services, such as debentures	Vistra ITCL (India) Limited provides non-banking financial services. The Company offers trustee services, such as	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.	

			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, governments, and insurance companies.	debtentures 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, 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. ....		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, governments, and insurance companies.		
	Whether the encumbrance is relating to any debt instruments viz. debenture, 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 is listed on stock exchanges? 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, certificate of deposit etc.? - <b>YES</b> provide details about the instrument, including credit rating YES / NO : If yes, 1. Name of the issuer : <b>ZACL</b> 2. Details of the debt instrument- <b>900 Secured, Redeemable, Unrated and Unlisted Non-Convertible Debentures (NCDs) on Private Placement basis having face value of INR 10,00,000 aggregating to Rs. 90,00,00,000/-</b> 3. Whether the debt instrument is listed on stock exchanges? <b>No</b> 4. Credit Rating of the debt instrument – <b>N.A.</b>	Whether the encumbrance is relating to any debt instruments viz. debenture, certificate of deposit etc.? - <b>YES</b> provide details about the instrument, including credit rating YES / NO : If yes, 1. Name of the issuer : <b>ZACL</b> 2. Details of the debt instrument- <b>250 Secured, Redeemable, Unrated and Unlisted Non-Convertible Debentures (NCDs) on Private Placement basis having face value of INR 10,00,00,000 each aggregating to Rs. 25,00,00,000/-</b>	Whether the encumbrance is relating to any debt instruments viz. debenture, certificate of deposit etc.? - <b>YES</b> provide details about the instrument, including credit rating YES / NO : If yes, 1. Name of the issuer : <b>ZACL</b> 2. Details of the debt instrument- <b>250 Secured, Redeemable, Unrated and Unlisted Non-Convertible Debentures (NCDs) on Private Placement basis having face value of INR 10,00,00,000 each aggregating to Rs. 25,00,00,000/-</b>	No



Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	5. ISIN of the instrument - <b>INE840M07013</b>	3. Whether the debt instrument is listed on stock exchanges? <b>No</b> 4. Credit Rating of the debt instrument - <b>N.A.</b> 5. ISIN of the instrument - <b>INE840M07039</b>	
	Rs. 6,28,20,000	Rs. 34,06,50,000	25,00,00,000	2,02
End use of money	Amount involved (against which shares have been encumbered) (B) Ratio of A / B	0.07	1.36	2.02
	Borrowed amount to be utilized for what purpose – (a) Personal use by promoters and PACS (b) For the benefit of listed company Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc. (a) Any other reason (please specify)	The Company has created pledge on the equity shares held in MCFL in favour of Vistra ITCL (India) Limited (Debenture Trustee) to secure the Non Convertible Debentures issued by the Company to Centrum Credit Opportunities Trust and Centrum Capital Advisors Limited (Debenture Holders) of Rs. 75 crores and 15 crores resp. for the purpose of (a) repayment of existing identified debt (b) long term working capital purposes (c) for transaction related costs and expenses	The Company has created pledge on the equity shares held in MCFL in favour of Vistra ITCL (India) Limited (Debenture Trustee) to secure the Non Convertible Debentures issued by the Company to Centrum Capital Advisors Limited (Debenture Holders) of Rs. 25 crores for the purpose of (a) repayment of existing identified debt (b) long term working capital purposes (c) for transaction related costs and expenses	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.

**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 Agri 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.

**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.

**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., Senwaria 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 repayment 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 Bharsali 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.

**For Zuari Agro Chemicals Limited**



**Vijayamahantesh Khannur**  
**Company Secretary**

Place: Bengaluru  
Date: 02-06-22