December 22, 2021

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. 18) on 20th December, 2021.

Kindly take the above information in your record.

Thanking You,

Yours Faithfully,
For Zuari Agro Chemicals Limited

Vijayamahantesh Khannur
Company Secretary

Encl: As above

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 18/12/2020**	**Encumbrance 4 (Date of creation of encumbrance 19/3/2021**	**Encumbrance 5 (Date of creation of encumbrance 20/3/2021**	**Encumbrance 6 (Date of creation of encumbrance 22/3/2021**	**Encumbrance 7 (Date of creation of encumbrance 23/04/2021)**	**Encumbrance 8 (Date of creation of encumbrance 23/04/2021)**
Type of encumbrance (pledge, lien,		Pledge	Pledge	Pledge	Pledge	Pledge	Pledge	Pledge	Pledge

negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)									
No. and % of shares encumbered		1,51,332 **(please refer Note 1)** 0.13	2,00,95,050 **(Please refer Note 2)** 16.96	49,20,000 **(Please refer Note 3)** 4.15	13,00,000 1.10	70,00,000 **(Please refer Note 4)** 5.91	13,00,000 1.10	2,40,000 0.20	2,40,000 0.20
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	IL & FS Financial Services Ltd	Vistra ITCL India Ltd	Chartered Finance & Leasing Limited	Bhansali Fincom Pvt Ltd	KLJ Plasticizers Ltd	InfoSoft Global Pvt Ltd	Bhansali Fincom Pvt Ltd	InfoSoft Global Pvt Ltd
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide	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	Yes	NBFC	NBFC	NBFC	NBFC	NBFC

	the nature of the business of the entity.		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. ...	Erstwhile subsidiary - Zuari Fertilisers and Chemicals Limited Refer Note 1	-		-	-	-	-	-
	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the	No	No	No.	No	No	No	No	No

	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									
Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	Rs. 748857808.75	Rs. 697381264.25	Rs. 1815094390.2	Rs. 39,19,50,000	Rs.9,97,75,000	Rs.54,34,00,000	Rs.10,16,60,000	Rs.1,68,96,000	Rs.1,68,96,000
	Amount involved (against which shares have been encumbered) (B)	Rs. 150,00,00,000	Rs. 150,00,00,000	Rs. 185,00,00,000	Rs. 17,50,00,000	Rs.5,00,00,000	Rs.25,00,00,000	Rs.5,00,00,000	Rs.5,00,00,000	Rs.5,00,00,000
	Ratio of A / B	0.49	0.46	0.98	2.24	2.00	2.17	2.03	0.34	0.34

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)	Pledge was created in favour of IL & FS Financial Services Ltd for securing the Rupee term loan of Rs. 150 crore given by IL & FS Financial Services Ltd. The loan was taken to part finance purchase consideration of upto 4,33,29,000 shares of Mangalore Chemicals & Fertilizers Limited. The loan has been repaid. **Refer Note 1**	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.	Pledge was created in favour of Chartered Finance & Leasing Limited to secure loan of Rs. 17.50 crores availed by ZACL from Chartered Finance & Leasing Limited. The loan was availed for general corporate purpose	Pledge was created in favour of Bhansali Fincom Pvt to secure loan of Rs. 5 crores availed by the Company from Bhansali Fincom Pvt Ltd. The loan has been borrowed for the purpose of working capital requirement of the Company.	Pledge was created in favour of KLJ Plasticizers Ltd to secure loan of Rs. 25 crores availed by the Company from KLJ Plasticizers Ltd The loan has been borrowed for the purpose of working capital requirement of the Company.	Pledge was created in favour of InfoSoft Global Pvt Ltd to secure loan of Rs. 5 crores availed by the Company from InfoSoft Global Pvt Ltd The loan has been borrowed for the purpose of working capital requirement of the Company.	Additional Pledge was created in favour of Bhansali Fincom Pvt due to shortfall in security provided on loan of Rs. 5 crore availed by ZACL from Bhansali Fincom Pvt. Ltd. The loan was borrowed for the purpose of working capital requirement of the Company.	Additional Pledge was created in favour of InfoSoft Global Pvt Ltd due to shortfall in security provided on loan of Rs. 5 crores availed by ZACL from InfoSoft Global Pvt Ltd. The loan was borrowed for the purpose of working capital requirement of the Company.

		Encumbrance 9 (Date of creation of encumbrance 18/05/2021)	**Encumbrance 10 (Date of creation of encumbrance 18/05/2021)**	**Encumbrance 11 (Date of creation of encumbrance 19/05/2021)**	**Encumbrance 12 (Date of creation of encumbrance 27/05/2021)**	**Encumbrance 13 (Date of creation of encumbrance 04/06/2021)**	**Encumbrance 14 (Date of creation of encumbrance 24/08/2021)**	**Encumbrance 15 (Date of creation of encumbrance 24/08/2021)**
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	Pledge	Pledge	Pledge	Non Disposable Undertaking	Negative lien
No. and % of shares encumbered		12,50,000 1.05	12,50,000 1.05	28,50,000 2.40	43,00,000 3.63	12,50,000 1.05	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.
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Mechel Somani Carbon Private Limited	Indo German International Private Limited	SKS Fincap Private Limited	Cuprum Bagrodia Limited	APM Finserv Ltd	State Bank of India	State Bank of India
	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	NBFC	NBFC	NBFC	NBFC	Scheduled Commercial Bank	Scheduled Commercial Bank
	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,	No	No	No	No	No	No	No

	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							
Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	Rs.11,09,37,500	Rs.11,09,37,500	Rs. 26,30, 55,000	Rs. 37,79,70,000	Rs. 10,64,37,500	Rs.4,55,24,16,538.2	
	Amount involved (against which shares have been encumbered) (B)	Rs. 5,00,00,000	Rs. 5,00,00,000	Rs. 10,00,00,000	Rs. 15,00,00,000	Rs. 5,00,00,000	Rs.75,00,00,000	Rs.75,00,00,000
	Ratio of A / B	2.22	2.22	2.63	2.52	2.13	6.06	
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)	Pledge was created in favour of Mechel Somani Carbon Private Limited to secure loan of Rs. 5 crores availed by the Company from Mechel Somani Carbon Private Limited The loan has been borrowed for the purpose of working capital requirement of the Company.	Pledge was created in favour of Indo German International Private Limited to secure loan of Rs. 5 crores availed by the Company from Indo German International Private Limited. The loan has been borrowed for the purpose of working capital requirement of the Company.	Pledge was created in favour of SKS Fincap Private Limited to secure loan of Rs. 10 crores availed by the Company from SKS Fincap Private Limited The loan has been borrowed for the purpose of working capital requirement of the Company.	Pledge was created in favour Cuprum Bagrodia Limited to secure loan of Rs. 15 crores availed by the Company from Cuprum Bagrodia Limited The loan has been borrowed for the purpose of working capital requirement of the Company.	Pledge was created in favour APM Finserv Ltd to secure loan of Rs. 5 crores availed by the Company from APM Finserv Ltd The loan has been borrowed for the purpose of working capital requirement of the Company.	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.

		Encumbrance 16 (Date of creation of encumbrance 17/09/2021)	**Encumbrance 17 (Date of creation of encumbrance 21/09/2021)**	**Encumbrance 18 (Date of creation of encumbrance 20/12/2021)**
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	Pledge
No. and % of shares encumbered		45,00,000 3.79	30,00,000 2.53	49,20,000 4.15
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Followel Engineering Limited	P P Suppliers and Agencies Private Limited	Violet Buildwell Private 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.	NBFC	NBFC	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. ...	-	-	-
	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	-	-	-

Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	Rs. 33,18,75,000	Rs.21,75,00,000	Rs. 32,81,64,000
	Amount involved (against which shares have been encumbered) (B)	Rs. 15,00,00,000	Rs.10,00,00,000	Rs.16,35,00,000
	Ratio of A / B	2.21	2.17	2.01
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 MCFL in favour of Followel Engineering Limited to secure loan of Rs. 15 crores availed by the Company from Followel Engineering 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 MCFL 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 MCFL in favour of Violet Buidwell Private Limited to secure loan of Rs.16.35 crores availed by the Company from Violet Buidwell Private Limited. The loan has been borrowed for the purpose of 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 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.

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).

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.

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

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.

For Zuari Agro Chemicals Limited



Vijayamahantesh Khannur
Company Secretary

Place: Bengaluru
Date: 22-12-21