

4<sup>th</sup> October, 2019

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,  
Bangalore, Karnataka-560001.

Dear Sir,

**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 in the prescribed format

Kindly take the above information in your record.

Thanking You,

Yours Faithfully,

For Zuari Agro Chemicals Limited



R. Y. Patil  
Vice President & 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 – II**

**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	77.14
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**

		<b>Encumbrance 1 (Date of creation of encumbrance: 14/05/2015 &amp; 21/05/2015)</b>	<b>Encumbrance 2 (Date of creation of encumbrance: 20/07/2018 )</b>	<b>Encumbrance 3 (Date of creation of encumbrance: 27/09/2018 )</b>	<b>Encumbrance 4 (Date of creation of encumbrance: 07/12/2018 )</b>
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other		Pledge	Pledge	Pledge	Pledge

covenant, transaction, condition or arrangement in the nature of encumbrance)					
No. and % of shares encumbered		151332 ( please refer Note 1 ) 0.13	33243487 28.05	7000000 5.90	9000000 7.59
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	IL & FS Financial Services Ltd	Vistra ITCL India Ltd	Vistra ITCL India Ltd	Vistra ITCL India Ltd
	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	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	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,

			insurance companies.	insurance companies.	governments, and insurance companies.
	<p>Names of all other entities in the agreement</p> <p>Listed company and its group companies (if any) –</p> <ol style="list-style-type: none"> <li>1.</li> <li>2. ...</li> </ol> <p>Other entities (if any) –</p> <ol style="list-style-type: none"> <li>1.</li> <li>2. ...</li> </ol>	<p>Erstwhile subsidiary - Zuari Fertilisers and Chemicals Limited</p> <p>Refer Note 1</p>	-	-	-
	<p>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</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>	No	No	No.	No.

Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	Rs. 748857808.75	Rs. 697381264.25	Rs. 1815094390.2	Rs. 310100000	Rs. 334800000
	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.185,00,00,000	Rs. 185,00,00,000
	Ratio of A / B	0.49	0.46	0.98	0.16	0.18
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. <b>Refer Note 1</b>	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 Vistra ITCL (India) Limited, Security Trustees, due to shortfall in security provided on HDFC Ltd.'s loan of INR 185 Crores	Pledge was created in favour of Vistra ITCL (India) Limited ( Security Trustee) due to shortfall in security provided on HDFC Limited loan of INR 185 crores..	

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 9757105 i.e. 8.23% of paid up capital and on 11632715 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 21389820 pledged shares, 21238488 shares were released by IL & FS Financial Services Limited upon repayment of loan.

For Zuari Agro Chemicals Limited



R.Y.Patil  
Vice President & Company Secretary

Place: Goa

Date: 04-10-2019