CHAMBAL FERTILISERS AND CHEMICALS LIMITED

February 25, 2016

BSE Limited
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai – 400 001

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Dear Sir,

This has reference to our letters dated November 03, 2015 and January 20, 2016 regarding setting up of new Urea plant for production of 1.34 Million MT of Urea per annum at the existing site at Gadepan, District, Kota, Rajasthan ("Project").

In pursuance of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Company has executed a Facility Agreement for availing foreign currency loans for part financing of the aforesaid Project as per details given below:

Sr. No.	Particulars	
1.	Name(s) of parties with whom the agreement is entered/ Names of the Lenders	1. State Bank of India, Tokyo Branch ("SBI") 2. HDFC Bank Limited, Hong Kong Bank ("HDFC Bank") 3. Axis Bank Limited, Hong Kong Bank ("Axis Bank") 4. Export and Import Bank of India ("Exim Bank")
2.	Size of agreement / Total amount of Loan granted	USD 550 Million
3.	Nature of Loan	**A) External Commercial Borrowings** i) SBI – USD 150 Million ii) HDFC Bank – USD 150 Million iii) Axim Bank – USD 125 **B) Foreign Currency Term Loan ("FCTL")** Exim Bank – USD 125 Million (with Letter of Credit as inner limit of FCTL)
4.	Date of execution of Loan Agreement	February 25, 2016
5.	Purpose of entering into the agreement	To part finance the Project
6.	Shareholding, if any, in the entity with whom the agreement is executed	NIL
7.	Significant terms of the agreement (in brief) / details of security provided to the lenders for the loan	1. **Drawdown Period** - In case of Exim Bank - Upto 31st March 2019 and in case of SBI, HDFC Bank and Axis Bank – Upto September 30, 2019; 2. **Repayment Schedule:** **(i) SBI, HDFC Bank and Axis Bank** The loans are repayable in half yearly instalments (as per the repayment schedule) from September 30, 2019 to September 30, 2025.

		(ii) Exim Bank The loan is repayable in half yearly equated instalments from September 30, 2019 to September 30, 2027. **3) Details of security provided** The loans to be secured in the following manner: a) first ranking pari-passu charge over all of the Company's moveable fixed assets (both present and future) excluding the assets of shipping division of the Company; and b) first ranking pari passu charge and mortgage over immovable properties of the Company. The consent of existing lenders will be required for creation of the security. 4. **Restrictions on change of control and Declaration of Dividend** a) There are restrictions on change of control of the Company and reduction in shareholding of promoters and promoter group below a specified threshold. b) In the event of default under the facility agreement, there is restriction on declaration or payment of dividend.
8.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner?	No
9.	Whether the transaction would fall within related party transactions?	No
10.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;	a) In the event of default under the facility agreement, the Facility Agent (representing the Lenders) shall have right to appoint one nominee director on the Board of Directors of the Company. b) There is no potential conflict of interest arising out of the facility agreement

You are requested to take the same on records and notify your constituents accordingly.

Thanking you,

Yours sincerely,
for **Chambal Fertilisers and Chemicals Limited**

Rajveer Singh
Assistant Vice President – Legal & Secretary