CHAMBAL FERTILISERS AND CHEMICALS LIMITED

March 5, 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, January 20, 2016 and February 25, 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") and financing of the 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 Rupee Facilities Agreement for availing borrowings to part finance 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 ("SBI") 2. Axis Bank Limited ("Axis Bank")
2.	Size of agreement / Total amount of Loan granted	INR 1057.85 crore Rupee term loan facility and INR 300 crore Bank Guarantee facility
3.	Nature of Loan	**A) Term Loan** i) SBI – INR 500 crore (with Letter of Credit ("**LC**") facility equivalent to USD 42.217 million as inner limit of the Term Loan facility) ii) Axis Bank – INR 557.85 crore **B) Bank Guarantee Facility** SBI – INR 300 crore
4.	Date of execution of Loan Agreement	March 5, 2016
5.	Purpose of entering into the agreement	**Term loan** -To part finance the Project **Bank Guarantee ("BG") Facility**- To issue the BG in favour of Government of India in terms of New Investment Policy -2012 for Urea Manufacturing units.
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** a) Term Loan - Upto 30th September, 2019 (LC to be utilized by June 4, 2016) b) BG – Upto June 4, 2016 2. **Repayment Schedule:** The Term Loans are repayable in equated quarterly instalments from financial year 2019-20 to financial year 2027-28.

		3. Details of security provided The term loans and BG are 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 of 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 nominee director on the Board of Directors of the Company. b) There is no potential conflict of interest arising out of the facility agreement

We would like to further inform that with the execution of the aforesaid Agreement, the Company has fully tied up the debt portion of the Project Cost.

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