SBICAP Trustee

SBICAP Trustee Company Ltd.

Ref. No. 2939 /STCL/DT/2023-24 **Date: June 22, 2023**

To, **UCO Bank** FC Branch, Mafatlal Centre, 1st Floor, Nariman Point, Mumbai – 400021.	To, **CTBC Bank Co. Ltd.** Gr. Floor & 2nd Floor, Aria Tower, JW Marriott Hotel, Delhi -Aerocity, Asset Area – 4, New Delhi - 110037

Subject: Rashtriya Chemicals And Fertilizers Limited - No objection for ceding pari passu charge

Dear Sir/Madam,

We are acting as Debenture Trustee for Listed, Secured, Redeemable, Non- Cumulative, Taxable, Non-Convertible Bonds in the nature of debentures (NCDs) having face value of Rs.10,00,000/- aggregating to amount of Rs. 500 crores under Debenture Trust Deed dated November 02, 2020 issued by Rashtriya Chemicals And Fertilizers Limited ('the Company').

We are in receipt of letter dated June 21, 2023 from the Company, requesting no objection for creating first pari passu charge over the following securities:

1) movable plant and machinery and other equipment of the company's assets located at Thal and Trombay, excluding movable fixed assets of Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant Situated at Trombay

in favour of CTBC Bank for External Commercial Borrowing (ECB) for amount of EUR 19 Million and UCO Bank for rupee Term Loan amount of Rs.180 Crores availed by the Company.

In this connection, the Company has submitted Security Cover Certificate dated June 09, 2023 (copy enclosed) issued by Parekh Sule & Associates Chartered Accountant confirming the maintenance of adequate security cover post issuance. Based on the Security Cover Certificate, we in our capacity as Debenture Trustee for the said Bonds, convey our no objection in ceding pari passu charge to over the Security owned by the Company for following facilities:

1. **UCO Bank**, for Rupee Term Loan of Rs. 180 Crores

2. **CTBC Bank** for External Commercial Borrowing ECB of EUR 19.00 million

The above NOC is subject to the conditions that:

(i) Obtaining similar NOC from and other charge holders.

(ii) Company shall maintain on an ongoing basis, the Security Cover Ratio for the Bonds as stipulated in Bond issuance, till final redemption.

(iii) As and when called upon by us, company shall provide additional security to the satisfaction of the Debenture Trustee, in case of any shortfall in security cover.

Yours Truly,

For SBICAP Trustee Company Limited

SBICAP TRUSTEE COMPANY LIMITED

Authorized Signatory
CC:
Rashtriya Chemicals and Fertilizers Limited
Priyadarshani, Eastern Express Highway,
Sion, Mumbai- 400 022

PAREKH SULE & ASSOCIATES
CHARTERED ACCOUNTANTS

Thane Off: 602-603, Odyssey IT Park, Wagle Industrial Estate, Road No. 9, Thane - 400604 Tel: 022-21581100 Tel: 9820168167
Mumbai Off: Kalpataru Plaza, Chincholi Bunder Road, Malad (W) Mumbai – 400067 Tel: 022-28441402 28885328

To,
SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road,
Churchgate, Mumbai – 400 020

Dear Sir,

Sub: Certification of assets for hypothecation to UCO Bank for Rupee Term Loan and CTBC Bank for External Commercial Borrowing (ECB)
Ref: 1. UCO Sanction letter no: FCB/MUM/ADV/1426/2022-23 dated 27th Feb 2023
2. CTBC Sanction letter dated 9th May 2023

We have been approached by **Rashtriya Chemicals and Fertilizers Limited** with a request to issue a certificate with reference to the above referred Sanction Letters in connection with the hypothecation of assets towards Rupee Term Loan of Rs. 180 crore availed by the Company from UCO Bank and ECB of EUR 19.00 mio to be availed by the Company from CTBC Bank, Singapore Branch.

At the Company's request, we have examined the relevant Books of Accounts and records relating to the moveable plant and machinery of the Company.

Based on our verification and explanations provided to us, we certify the asset coverage in respect of securities offered for debenture holders, which includes movable plant and machinery situated at Trombay and Thal on which pari passu charge can be created as follows: *₹ in Crore*

Sr. No	Particulars		Rs in Crore
I	**Total assets available for secured Debt Securities as at 31st March 2023**	A	
	i. Movable Plant and Machinery (Including CWIP) located at Trombay and Thal *		2132.38
	ii. Loans /advances given (net of provisions, NPAs and sell down portfolio), Debt Securities, other credit extended etc		-
	iii. Receivables including interest accrued on Term loan/ Debt Securities etc		-
	iv. Investment(s)		-
	v. Subsidy Receivable from Government of India		2097.17
	Total		**4229.55**
II	**Total borrowing through issue of secured Debt Securities as at 31st March 2023**	B	
	i. Debt Securities (Details as per table below)		499.74
	ii. IND - AS adjustment for effective Interest rate on secured Debt Securities		0.26
	iii. Interest accrued/payable on secured Debt Securities		98.85
	iv. Long Term Loans secured by pari-passu charge **		333.80
	v. Short Term Loans secured by pari-passu charge on receivables **		670.00
	Total		**1602.65**
III	**Asset Coverage Ratio as at 31st March 2023**	A/B	**2.64**

PAREKH SULE & ASSOCIATES FRN 118637 Chartered Accountants

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CHARTERED ACCOUNTANTS

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*The net block value of Plant and Machinery is excluding movable fixed assets (machinery and equipment's) of the Medium Pressure (MP) and High Pressure (HP) Nitric Acid Plant situated at Trombay having WDV of Rs. 55.59 crore as on 31st March 2023.

** Breakup of Long Term Loans/Short Term Loan secured by pari-passu charge is as follows:

Sr No	Particulars	Outstanding amount as on 31st March 2023 *₹ in Crore*	Remarks
A	Term Loan/ECB/FCNR from Banks		Secured with Fixed Asset Coverage of 1.25 times of the Loan outstanding
i.	State Bank of India	217.89	
ii.	Kotak Bank	115.91	
	Total Rupee Term/ECB Loan	**333.80**	
B	Working Capital Facility from State Bank of India	670.00	
	Total Other Borrowing (A+B)	**1003.80**	

Considering the undrawn portion of loans the asset coverage is as under:-

Sr. No	Particulars		*₹ in Crore*
I	Total assets available for secured Debt Securities	A	4229.55
II	Total borrowing through issue of secured Debt Securities including proposed loans: UCO RTL – Rs. 180 crore CTBC ECB – Rs. 170 crore	B	1952.65
III	**Asset Coverage Ratio**	**A/B**	**2.17**

This is to certify that Company has adequate assets to maintain the necessary security cover in respect of borrowings which are secured/to be secured by a pari passu charge, as per agreed terms.

This certificate is being issued at the specific request of the Company.

Place: Mumbai

Date: 09th June 2023

For Parekh Sule & Associates
Chartered Accountants
F.R. No. 118637W

PAREKH SULE & ASSOCIATES FRN 118637 Chartered Accountants

Sujit Rashinkar
Partner
M.No.106653
UDIN: 23106653BGTTBO2591