



(A Mini Ratna Category-I PSU)
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ISO/IEC : 27001 : 2013 Certified

भारतीय अक्षय ऊर्जा विकास संस्था सीमित Indian Renewable Energy Development Agency Limited

(भारत सरकार का प्रतिष्ठान / A Government of India Enterprise)



कॉर्पोरेट कार्यालय : तीसरा तल, अगस्त क्रांति भवन, भीकाएजी कामा प्लेस, नई दिल्ली-110 066

Corporate Office : 3rd Floor, August Kranti Bhawan, Bhikaiji Cama Place, New Delhi - 110 066

दूरभाष/Tel.: 011-26717400-12, फ़ैक्स/Fax : 91-11-26717416, ई-मेल/E-mail : cmd@ireda.gov.in, वेबसाइट/Website : www.ireda.gov.in

CIN : U40108DL1987GOI027265

By Hand.

221/3421/WTE/2017/IREDA/871

Dated: 21.02.2018

M/S. Jindal Urban Waste Management
(Vishakhapatnam) Limited.
Jindal ITF Centre, 28, Shivaji Marg
New Delhi-110015

Sub: Sanction of a Main Loan of Rs. 11,000.00 Lakhs to M/s. JINDAL URBAN WASTE MANAGEMENT (VISHAKHAPATNAM) LIMITED, for their 15.00 MW Waste to Energy project at Kapuluppada, District Visakhapatnam of Andhra Pradesh (Project No. 2345)

Dear Sir, Please refer to your loan application and subsequent correspondence & discussions, your representative(s) had with us, regarding term loan towards setting up 15 MW Waste to Energy project at Kapuluppada, District Visakhapatnam of Andhra Pradesh (Project No.2345).

The application has been considered and Indian Renewable Energy Development Agency Ltd (IREDA) is agreeable to provide to your organization, as Borrower, Term Loan of Rs. 11,000.00 Lakhs (Eleven thousand lakhs only).

2. The sanctioned loan is subject to following:

- Terms and conditions as detailed in Annexure-I.
- Formalities to be complied with for execution of loan documents as detailed in Annexure-II.
- The steps / formalities required to be complied with and / or documents required to be submitted for the securities stipulated as detailed in Annexure-III.
- Terms and Conditions governing release of first installment of loan as detailed in Annexure-IV.

3. Please note that this communication should not in any way be construed as giving rise to any binding obligation on the part of IREDA, unless the borrower communicates to IREDA, within 30 days from the date of receipt of this letter that the terms and conditions set out herein are acceptable and unless the Loan Agreement and other documents relating to the above loan are executed by the borrower within the prescribed period, the loan sanction shall be considered withdrawn automatically without any further reference and obligation on the part of IREDA.

पंजीकृत कार्यालय : प्रथम तल, कोर - 4ए, ईस्ट कोर्ट, भारत पर्यावास केन्द्र कॉम्प्लेक्स, लोदी रोड, नई दिल्ली - 110003

Regd. Office : 1st Floor, Core - 4A, East Court, India Habitat Centre, Lodhi Road, New Delhi - 110003

दूरभाष/Phone : 011-24682206-19 फ़ैक्स/Fax : 91-11-24682202

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4. The execution of Loan Agreement and other documents is scheduled for 23/03/2018. In case you wish to sign the documents earlier, you are welcome to do so with prior intimation. This is, however, subject to submission of documents, as detailed in the letter.

5. All the annexures are deemed to be part of this letter.

Thanking You

Yours sincerely
**For Indian Renewable Energy
Development Agency Limited**



K.P.Philip

के.पी. फिलिप / K.P. Philip
सहायक महाप्रबंधक (त.से.)
Assistant General Manager (TS)
भारतीय अक्षय ऊर्जा विकास संस्था सीमित
Indian Renewable Energy Development Agency Limited
प्रथम तल कोर 4 'ए' भारतीय पर्यावरण केंद्र
1st Floor, Core 4, 'A' India Habitat Centre Complex,
लोधी रोड, नई दिल्ली-110003
Lodhi Road, New Delhi - 110 003.

TERMS & CONDITIONS

GENERAL CONDITIONS:

1) Term Loan Amount:

Rs. 11000.00 Lakhs (Eleven Thousand Lakhs only)

Project Cost:

S.No.	Items	Amount (Rs. Lakhs)
1	Equipment + Civil Costs	17292.00
2	Sanitary Landfill Development Cost	250.00
3	Mandatory spares for 3 years of operations	267.00
4	Financing Cost	152.00
5	Independent Engineer – Construction Phase	77.00
6	Engineering Consulting – Design and Supervision	98.00
7	Interest during construction	1429.00
8	Preliminary and Preoperative Expenses	526.00
9	DSRA	886.00
10	Margin Money for Working Capital	129.00
11	Contingency	894.00
	Total:	22000.00

Means of finance:

S.No.	Source	Amount (Rs. Lakhs)	% age
A	Promoters' Contribution	66.00	
i	Equity Share Capital	66.00	30.00
ii	Internal Accruals	0.00	0.00
iii	Debentures/Prefential Share	0.00	0.00
iv	Unsecured Amount, if any	0.00	0.00
v	Capital Subsidy, if any	0.00	0.00
B	Term Loans Proposed	154.00	
i	From IREDA	110.00	71.43
ii	Additional/Bridge Loan From IREDA	0.00	0.00
iii	From Others	44.00	28.57
C	Total Project Cost	220.00	



2) Interest :

- 10.85% Per Annum During Project.
- 11.35% Per Annum During Construction.

3) Front End Fee:

- a) 1% for first Rs 100 Crores
- b) 0.25 % for balance above Rs 100 Crores

4) Liquidated Damages:

NA

5) Terminal Dates:

- I. Last date to sign Loan Agreement: Within six months from the date of loan sanction letter
- II. Last date to withdraw first installment of loan: Within six months from the date of signing of loan agreement
- III. Last date to withdraw final installment of loan: Within 24 months from the date of first disbursement

6) Repayment of Loan:

- I. Tenure of the Loan: 15 Years
- II. Construction Period: 24 Months
- III. Grace Period: 12 Months
- IV. Mode of Repayment: Quarterly
- V. Tentative repayment schedule: Structured repayment in 60 quarterly Installments

7) Security Conditions:

- I. Mortgage of all immovable properties: Mortgage/Assignment of immovable assets (including lease hold rights of the land) by way of deposits of title deeds or any other legally recognized mode in favor of IREDA. Pari Passu Charge with Co-Lender.
- II. Hypothecation of movable assets, both existing and future, subject to prior charge of Banks on specified current assets: Charge by way of hypothecation of all movable assets pertaining to the project. Pari Passu Charge with Co-Lender.
- III. Personal Guarantee: undertaking of Mr. P.R. Jindal, Group Promoter
- IV. Corporate Guarantee: Corporate Guarantee of Promoter i.e. JITF Urban Infrastructure Limited (JUUL) and Sponsors – Glebe Trading Private Limited and Danta Enterprises Private Limited.
- V. Pledge of shares: Pledge of 99% of shares which may be gradually reduced to 51% within 2 years from the successful completion and operation of the Project.
- VI. Cross Securitization: All the term lenders shall have a second charge on reciprocal basis among the 2 Borrowers [JUWMGL and JUWMVL] such that in case of any shortfall in debt servicing and stipulated DSRA top-up of one, it could be made good by the other.
- VII. Substitution Agreement: Substitution Agreement among Project allotting authority, IREDA and borrower in respect of Concession Agreement.
- VIII. Assignment of Project Rights: Assignment of Project Rights, under Regd. mortgage deed.



- IX. Charge on Escrow Account/ Letter of Credit/ Trust and Retention Account/ Special Account depending upon type of project, business of the applicant, merits of each case: Company shall open a Trust & Retention Account with any of the banks indicated below or mutually agreed bank with the co-lender for deposit of sale proceeds and other revenue and execute a suitable Trust and Retention Account Agreement.
- a. Union Bank of India (UBI)
 - b. Vijaya Bank
 - c. Canara Bank
 - d. IndusInd Bank
 - e. State Bank of Hyderabad (SBH)
- X. Promoter's Undertakings: The Promoter shall undertake:
- a. To bring in at least 50% of the required Promoters' Contribution up-front and the balance 50% on pro-rata basis as per the requirements of the project and the Base Case Business Plan.
 - b. To meet any cost overruns, over and above the Estimated Project Cost, without recourse to the Lenders, in form and manner satisfactory to the Lenders.
 - c. To infuse funds, in a form and manner as acceptable to the Lenders, in the Borrower to prevent and /or cure any shortfall in meeting the stipulated Financial Covenants.
 - d. To infuse funds, in a form and manner as acceptable to the Lenders, in the Borrower to meet the DSR requirements as per the DSRA clause.
 - e. To meet any shortfall in termination payment vis-à-vis the outstanding dues, if any, of the Lenders.
 - f. To ensure that the Borrower is provided with the requisite technical, financial and managerial expertise to perform/ discharge its obligations under the Material Project Documents, as applicable.
 - g. That the Promoter shall not enter into inter-group transactions relating to the Project which are prejudicial to the interest of the Borrower. All inter-group transactions relating to the project shall be disclosed to the Lenders.
 - h. To ensure that all Guarantees in relation to the Project including those extended by contractors/suppliers in favour of the EPC contractor are assigned to the Lenders;
 - i. The Promoter shall undertake to provide support to the extent of any adverse impact on the Project on account of currency exchange rate variation, in case of any foreign currency exposure to the Project during the currency of the loan in the form of import of equipment and/or borrowing in foreign currency and if the Borrower has not made adequate hedging arrangements.
 - j. The Promoter shall undertake that it will continue to hold a minimum of 51% as equity shareholding, directly or indirectly, in the Borrower during the entire tenor of the facility.
- XI. Additional security:
- a. Pari-Passu charge amongst the lenders on all the current assets and non-current assets of the Borrower including but not limited to book debts, operating cash flows, receivables, revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital, present and future.



- b. Assignment of rights, interest and obligations of the Concessionaire to or in favour of the Security Trustee as nominee and for the benefit of the Lenders, to the extent covered by and in accordance with the Concession Agreement;
- c. Pari-Passu charge amongst the lenders on all Borrower's bank accounts, receivables and current assets including, without limitation, the Trust and Retention Account and each of the other account(s) required to be maintained / created by the Borrower under any project document, financing document or contract;
- d. Pari-Passu charge amongst the lenders on all intangible assets of the Company including but not limited to the goodwill, undertaking and uncalled capital of the Borrower other than the Project Assets as permitted in the Concession Agreement.

XII. Sponsor's Undertakings : The Sponsor shall undertake:

- a. To meet any cost overruns, over and above the Estimated Project Cost, without recourse to the Lenders, in form and manner satisfactory to the Lenders.
- b. To ensure timely and sufficient equity infusion in the Promoter for the purpose of further equity infusion in the Borrower
- c. To infuse funds, in a form and manner as acceptable to the Lenders, in the Borrower to prevent and /or cure any shortfall in meeting the stipulated Financial Covenants
- d. To meet any shortfall in termination payment vis-à-vis the outstanding dues, if any, of the Lenders.
- e. To meet any shortfall in built up of DSR out of project's operational cash flows within the stipulated 3 year period post COD.
- f. To provide support to the extent of any adverse impact on the Project on account of currency exchange rate variation, in case of any foreign currency exposure to the Project during the currency of the loan in the form of import of equipment and/or borrowing in foreign currency and if the Borrower has not made adequate hedging arrangements.

XIII. Trust and Retention Accounts (TRA): The Borrower shall open and maintain with a designated bank a Trust and Retention Account. All cash inflows relating to the Project including, without limitation, revenue from sale of electricity and other products, subsidies received if any, Promoters' contribution, disbursements of the Facility, compensation from the lead ULB and any other receipt from any other source related to the Project shall be deposited and all proceeds shall be utilized in a manner and priority to be decided by Lenders.

XIV. Debt Service Reserve Account (DSRA): The Borrower shall maintain a Debt Service Reserve (DSR) equivalent to 2 quarters of the quarterly debt service obligations (Principal + Interest). DSR amount has been provided in the initial cost of the project shall be funded in the agreed Debt Equity ratio. The modalities of build-up of such DSR would be as under:

- a. The equity component of the DSR included in the initial cost as above shall be brought in by the Promoters and deposited in the DSR Account (DSRA), a part of the TRA, on or before COD;



- b. This amount of DSR will be allowed to be invested in permitted investments with lien marked in favor of Lenders;
- c. The term loan component of DSR so disbursed will also be allowed to be invested in permitted investments with lien marked in favor of Lenders;
- d. The Term Loan component of DSR shall be disbursed at the time of COD. Such disbursement shall be routed through the DSRA under TRA;
- e. The DSR amount shall not be used for any purpose other than for servicing the RTL;
- f. The DSR amount would be utilized only in case of a shortfall in cash flows for meeting debt service requirements from time to time;
- g. No dividends shall be permitted until the required DSR is maintained;
- h. Towards the end of loan tenor, lenders reserve the right to adjust the balance in DSRA towards repayment of last two quarterly instalment and interest.
- i. The Borrower shall have the option to replace the required DSR amount by equivalent amount of Bank Guarantee availed by the promoter and/or Sponsor without recourse to Project's assets.

8) Terms and Conditions to be complied before signing of Loan Agreement :

- 1. Provide evidence that the entire debt and equity funding for the Project has been fully tied up.
- 2. Furnish Board resolutions for agreeing to enter into the loan agreements with the Lenders based on the terms of the sanction letters from consortium of Lenders.
- 3. LLC has been appointed as per scope of work decided by the Lenders in regard to carrying out due diligence in regard to the Project documents and firming of loan documents. All information required by LLC for carrying out the work assigned to them would be provided by the Borrower.
- 4. Agree for appointment of LIE and any other agencies by the Lenders as per scope of services to be provided by the Lenders. The Borrower would also agree that all information required by such agencies for carrying out the work assigned to them would be provided and would bear the cost incurred for availing the services from these agencies.
- 5. Agree that the Lenders have the right to appoint other consultants in case there is cost/time over run. The expenses related to such appointment shall be borne by the Borrower.
- 6. The Borrower has agreed to confirm/ undertake that name of none of the directors appears in RBI's/ CIBIL's Defaulters' list/ ECGC Caution List. Further, The Borrower will furnish to the RTL Lenders an affidavit of disclaimer along with an affidavit of disclaimer from Director(s) with similar identity appearing in any of RBI defaulters/ CIBIL/ ECGC Caution lists.
- 7. Agree to route all the cash flows of the Project through the TRA account.
- 8. Agree that the technical configuration of the plant, the Equipment/Plant & Machinery supply and/or erection Contracts/amendment/novation to these contracts, Power Purchase Agreement (PPA) and other important contracts executed/ to be executed, approvals received by the Borrower for the Project shall be reviewed by LIE/ LLC or any other consultant in consultation with the Borrower, as may be required. Any issue(s) pointed out by LIE/LLC shall be resolved to the satisfaction of Lenders.



9. The Borrower has agreed to modify its Memorandum of Association and Articles of Association, for enhancement of the Authorized Share capital and borrowing power as per the envisaged financing plan, if required, and incorporate any other changes, if required by the Lenders.
10. Agree to ensure that adequate O&M arrangement is put in place at the time of earlier of SCOD or COD.
11. Agree that the Preliminary and Pre-operative Expenses shall be allowed as part of the Project Cost only to the extent verified as per Auditor certificates and as accepted by the Lenders.
12. Ensure that all the approvals and clearances are in place as per the implementation requirement of the Project to the satisfaction of Lenders.
13. Agree to furnish to the Lenders or any agency appointed by the Lenders, such information and data as may be required by them to ensure that the physical and financial progress of the Project are as per the schedule.
14. Agree that Borrower shall, during the operation of the project, submit to the lenders periodic information in a form and manner as desired by the lenders relating to financial as well as technical aspects including adherence to prescribed parameters on emission norms.
15. Agree that the Project and the technology adopted in the Project would always remain compliant with the SWM Rules 2016, any amendments thereto or any other regulations prescribed in this regard by the concerned authorities as also related provisions in the Concession Agreement. Further agree that any non-compliance in this regard which could have a material adverse effect shall be treated as an event of default.
16. Agree that the Borrower shall strictly adhere to and be in compliance with the provisions of the Concession Agreement and Power Purchase Agreement. Further Agree that any non-compliances in this regard which could have a material adverse effect shall be treated as an event of default.
17. Agree that the Project Cost may be reviewed by the Lenders or LIE and the Borrower would have to satisfy the LIE about the reasonability of the Project Cost. In case the Project Cost accepted pursuant to above is higher than the estimated Project cost, the Promoter and/or Sponsor shall arrange to tie up the funding gap upfront by way of additional equity/ equity like -instruments/ preference shares/ sub- ordinate debt on terms acceptable to Lenders.
18. Agree that in case of increase in Project cost upon finalization of contracts and/or review by LIE, the Borrower shall arrange to tie up the funding gap upfront by way of additional equity/ preference shares/ internal accruals on terms acceptable to Lenders. However, in case there is a reduction in Project cost due to any factor, there would be a proportionate reduction in all components of the means of finance including Senior & Sub Debt.
19. The Lender shall be in receipt of (i) certified true copies of the Memorandum & Articles of Association of the Company, the Promoter, and the Sponsor; and (ii) certified true copies of the resolution of the Board of Directors and/ or shareholders of the Company, the Promoter, and the Sponsor, wherever applicable, evidencing the corporate power, authority and required corporate action to enter into, and execute the Financing Documents.
20. Agree that the Borrower shall furnish to the Lenders such information and data as may be required to ensure that expenditure incurred /to be incurred is reasonable.
21. Agree to pay all fees and expenses under the Financing Agreements.



22. Agree that the Lenders shall have the right to stipulate any other condition in consultation with the Borrower, as deemed necessary before execution of the loan documents.
23. The Lender shall be in receipt of all undertakings from the Promoter/Sponsors/Borrowers as required in accordance with the sanction terms
24. The Borrower to submit a letter certified by its Company Secretary/ Director, giving the name of the pledge or and the number of shares free from any kind of encumbrance as on the date of commitment
25. The Borrower shall have furnished details of all material disputes/ legal proceedings pending against the Borrower, the Promoter, the Sponsor or otherwise in connection with the Project's assets; Further, the Borrower, shall have satisfied the Lender(s) that there exists no such litigation in India or in any other jurisdiction
26. The borrower shall have furnished a suitable confirmation that there is no existing Events of Default in terms of the Transaction Documents with the existing Lender(s) and the Project Documents which has not been cured or waived.
27. The borrower shall furnish, as and when sought for during the currency of the Loan facility, the list of all the Directors on its Board along with list of other companies in which they are the directors and also inform the Lender's Agent whenever there is any change in the Constitution of the Board.
28. Provide Undertaking for financial support for 2 consecutive year after successful operation upto the satisfaction of IREDA, to the project from the main Promoter (Mr. P.R Jindal) as per the format agreed by IREDA.

9) Terms and Conditions to be complied before First Disbursement:

1. The stipulated Upfront Promoters' Contribution in the Project has been infused as evidenced by a certificate from the Chartered Accountant (acceptable to the Lenders).
2. All the Security shall be created upfront before disbursement. Perfection of the same shall be completed in due course of time.
3. Lenders' Independent Engineer (LIE) shall have been appointed on terms as decided by the Lenders. The LIE shall have submitted a due-diligence report covering its scope of work and the Borrower shall have resolved all issues raised by them to the satisfaction of the Lenders.
4. Lenders' Insurance Advisor (LIA) shall have been appointed on terms as decided by the Lenders for review and monitoring of the insurance arrangements for the Project. The Borrower will arrange for comprehensive insurance policies as per the advice by LIA and ensure that requisite insurance policies have been suitable endorsed in favour of the Lenders which should contain the Lenders' Security Stipulation and name the Lenders/Security Trustee as loss payees. A copy of this policy should be submitted to the Lenders/ LIA for review.
5. The LLC shall have submitted a due-diligence report covering its scope of work and the Borrower shall have resolved all issues raised by them to the satisfaction of the Lenders.
6. All the Financing Documents shall have been executed and the same are in full force and effect backed by a legal opinion from LLC.
7. All project contracts as required by the LIE at the time of first disbursement for scheduled implementation of the Project shall have been executed.



8. The Borrower shall ensure that all project contracts executed for the Project shall be reviewed by LIE and LLC and any issues shall be resolved by the Borrower to the satisfaction of Lenders.
9. Land Lease agreement should have been executed.
10. Confirmation that the Project Site is under possession of the Borrower.
11. Confirmation from LIE that all approvals required for commencing implementation of the project are available at the Project Site.
12. Furnish copies of all the applicable statutory clearances, permits, approvals required for the start of implementation of the Project.
13. Furnish all the undertakings to be executed by the Promoters, and Sponsor to the satisfaction of the Lenders.
14. Undertake that all cost incurred on LLC, LIE for availing the services of these agencies shall be borne by the Borrower.
15. Obtain a certificate from the LLC and LIE (corresponding to their respective scope of work) that all the Conditions Precedent to First Disbursement have been complied with to the satisfaction of Lenders/Lender's Agent.
16. Open a Trust & Retention Account (TRA) into which the Borrower shall mandatorily deposited all its cash inflows from the Project (incl. debt, equity, etc.) to be utilized/ applied in a manner and priority to be stipulated in the TRA Agreement. Confirm that all accounts other than those envisaged under the TRA Agreement have been closed. For this purpose, the Borrower shall have appointed a bank/institution (acceptable to lenders) as a Trust and Retention Agent and enter into a TRA Agreement.

10) General Terms and Conditions :

1. A certificate from a Chartered Accountant (acceptable to the Lenders) on sources and end-use of funds, including pre-operative expenses, will be submitted along with each notice of drawal. A certificate from the Company's Statutory Auditor would be required to be submitted on a quarterly basis till the availability period.
2. Upon finalization of contracts and/or review by LIE, in case of any increase in Project Cost due to the impact of GST, lenders may consider providing additional funding, if so sought by the Borrower, to fund such increase subject to the assessment done by the Lenders at such material time. Such additional funding may be subject to the existing terms of sanction or any other as deemed fit by the Lenders. The Borrower undertakes to intimate to the Lenders the impact of GST as soon as it is crystallised as reviewed by the LIE and corresponding funding plan, irrespective of whether the additional funding is sought or not.
3. The capital expenditure proposed to be incurred by the Borrower shall be as per the construction budget vetted by the LIE. Each request for drawdown shall be accompanied by LIE certificate to this effect.
4. The Borrower shall satisfy the Lenders that the physical progress of the project implementation as well as the expenses incurred are as per schedule provided to the Lenders. In respect of any deviations from the same, the Borrower shall suitably notify the Lenders/ LIE with justification for the same.
5. In case of any foreign currency exposure to the Project during the currency of the loan in the form of import of equipment and/or borrowing in foreign currency, the Borrower agrees to make adequate hedging arrangements and Promoter, and Sponsor undertakes to provide support to the extent of any adverse impact on Project on account of currency exchange rate variation.



6. Subject to the provisions of Concession Agreement and Power Purchase Agreement, the Borrower agrees that any subsidies received by the Project from any agency at local/ state/ central government level or any revenue earned from sale of Certified Emission Reduction (CER) Credits under the Carbon Development Mechanism (CDM) by the Project shall be entirely used for partial prepayment of outstanding facility, which shall be adjusted in inverse order of maturity and no prepayment penalty will be payable on this amount.
7. The Borrower shall procure and submit a certificate under Section 281 (1) (ii) of the Income-tax Act, 1961 in respect of the creation of Security, prior to the creation of Security.
8. The Borrower shall furnish end use certificate from the Chartered Accountant (acceptable to the Lenders) within 30 days from the date of each disbursement.
9. The Borrower's assets offered as security for the Facility should be kept fully insured including business interruption / loss of profit insurance as may be advised by the LIA. A list of the current insurance policies detailing the names and addresses of the insurer, brief particulars of goods covered, type of cover, amount of cover and date of expiry of each policy should be submitted to the Lenders and LIA along with the copies of the policies. Insurance policies should contain the Lenders' Security stipulation and name Lenders / Security Trustee as Loss Payees.
10. The LIE shall submit quarterly monitoring reports to the Lenders during implementation of the Project and first 2 years after the COD.
11. The Borrower shall obtain permission for connectivity to the grid from the relevant Power Distribution Licensee at least 3 months prior to the SCOD.
12. The Borrower shall obtain all the approvals required for commencement of commercial operations prior to the COD.
13. The Borrower shall undertake to arrange working capital finance as required from time to time for the Project.
14. The Borrower shall agree that in case of a default in repayment of Debt or payment of interest thereon on due dates, the Lenders and/ or the Reserve Bank of India (RBI)/ Credit Information Bureau (India) Ltd. (CIBIL) will have an unqualified right to disclose the name of the Borrower and its directors as defaulters in such manner and through such medium as the Lenders and the RBI/ CIBIL, in their absolute discretion may think fit.
15. The Lenders would have a right to conduct a review of the Project and the cost of the Project at any time prior to COD. The Borrower shall agree that the preliminary and pre-operative expenses shall be allowed as a part of the Project Cost to the extent that they are certified by a Chartered Accountant (acceptable to the Lenders) that they have been actually incurred and relate to the proposed Project only.
16. Lenders reserve the right to withhold disbursement of the amount of Facility equivalent to the provision against margin money for working capital in the cost of the Project till such time as the Project is near completion and the build-up of working capital commences.
17. The Borrower shall facilitate in carrying out inspection by the officials of Lenders or through persons/ firm appointed by the Lenders of all assets charged to the Lenders generally in six months intervals or at more frequent intervals as decided by the Lenders. The cost of inspection is to be borne by the Borrower.
18. The Borrower shall agree to comply with all reporting requirements as may be stipulated by the Lenders.



19. The Borrower shall provide audited financial statements of the Borrower within 180 days of the end of each financial year and shall also provide the quarterly provisional balance sheet within 30 days of the end of each quarter.
20. The Borrower shall always operate the Project in compliance with all the stipulations/ norms/ standards set by relevant Government and statutory bodies.
21. The Company should not undertake any new project / expansion / loan or make any investment without prior approval of IREDA.
22. The Company will comply with the Anti-Money Laundering (AML) requirements in terms of IREDA guidelines.
23. The appraisal has been made as per the present applicable guidelines governing the rate of interest, its applicability, reset etc. However, changes if any, effected in these guidelines on the date of disbursement shall be applicable and IREDA reserves its right to reappraise the project, if so required.

11) Cash Sweep:

After 3 years post COD: 50.0% of the surplus cash in the Project TRA account, beyond project level DSCR $-1.25x$ at the end of each year will be utilized to prepay the loan in inverse order of maturity, at the sole discretion of lender(s)

12) Other Terms and Conditions: As per IREDA Guidelines



Tentative Repayment Schedule for Loan Amount

	Loan Amount(In Rs. Lakhs)	11,000
	No. of Quarterly Installments	60
Sr.No.	Installment %age	Amount(In Rs. Lakhs)
1	0.50%	55
2	0.50%	55
3	0.50%	55
4	0.50%	55
5	0.50%	55
6	0.50%	55
7	0.50%	55
8	0.50%	55
9	1.00%	110
10	1.00%	110
11	1.00%	110
12	1.00%	110
13	1.00%	110
14	1.00%	110
15	1.00%	110
16	1.00%	110
17	1.50%	165
18	1.50%	165
19	1.50%	165
20	1.50%	165
21	1.50%	165
22	1.50%	165
23	1.50%	165
24	1.50%	165
25	2.00%	220
26	2.00%	220
27	2.00%	220
28	2.00%	220
29	2.00%	220
30	2.00%	220
31	2.00%	220
32	2.00%	220
33	2.50%	275
34	2.50%	275
35	2.50%	275
36	2.50%	275



37	2.50%	275
38	2.50%	275
39	2.50%	275
40	2.50%	275
41	2.00%	220
42	2.00%	220
43	2.00%	220
44	2.00%	220
45	2.00%	220
46	2.00%	220
47	2.00%	220
48	2.00%	220
49	2.00%	220
50	2.00%	220
51	2.00%	220
52	2.00%	220
53	2.00%	220
54	2.00%	220
55	2.00%	220
56	2.00%	220
57	2.00%	220
58	2.00%	220
59	2.00%	220
60	2.00%	220
Total	100.00%	11000.00



Front End Fee Computation Sheet

	Front End Fee payable after 22-April-2018 (After 60 days) (Amount in Rs.)	Front End Fee payable on or before 22-April-2018 (within 60 days with Rebate) (Amount in Rs.)
Loan Amount	1100000000.00	1100000000.00
Front End Fee (FEF)	10250000.00	8200000.00
GST (18.00%)	1845000.00	1476000.00
Total Payable FEF	12095000.00	9676000.00

Applicable Front End Fee (FEF)

- 1) 0.5% for Loan upto 5 Crores
- 2) Loan above 5 Crores
 - a) 1% for first Rs 100 Crores
 - b) 0.25 % for balance above Rs 100 Crores

Note: 20% rebate in Front End Fee shall be applicable if paid within 60 days from the date of IREDA Sanction Letter.

Mode of Payment

- a) RTGS/NEFT
- b) Payment Gateway through Online Loan Application
- c) Demand Draft

Bank Details

Name : Union Bank of India
A/c No. : 352401010019017
IFS Code : UBIN0535249
Branch : Lodhi Colony, New Delhi

Bank Details

Name : Vijaya Bank
A/c No. : 602000301000386
IFS Code : VIJB0006020
Branch : Bhikaji Cama Place, New Delhi



**FORMALITIES TO BE COMPLIED WITH FOR EXECUTION OF LOAN DOCUMENTS
(Tentative)**

- 1) Resolutions passed at a regularly convened meeting of the Board / Governing Council authorising the borrowing of loan and execution of loan documents in the case of Companies, Co-operative Societies, Societies and other Bodies registered under the Societies Registration Act in IREDA format
- 2) Borrowing power Certificate in respect of a Public Limited Company pursuant to provisions of Section 180 (1) (c) of the Companies Act, 2013 or Cooperative Society as applicable in IREDA format
- 3) Demand Draft / Multi-City Cheque / Cheque at par for the Front End Fee
- 4) Certificate from an Advocate that the Borrower has acquired the land and it has prima facie good and marketable title
- 5) Search Report from a practicing Company Secretary from the Office of Registrar of Companies, in case the Borrower is a Company under the Companies Act
- 6) Furnish photographs / photocopy of Passport / PAN & DIN of the Directors / Executives who would execute documents with IREDA on behalf of the Borrower
- 7) No lien Account opening letter from a Scheduled Bank foregoing right of set off on the said Account as per the draft enclosed

Note:

1. *The sample legal documentation formats can be downloaded from IREDA website www.ireda.in. However the same will be modified as applicable and as per the present guidelines of IREDA.*



**REQUIREMENTS TO BE COMPLIED WITH FOR COMPLETION OF SECURITY
(Tentative)**

Pari Passu Charge with other lenders - Mortgage

- a. Resolution passed by Company under Section-180 (1) (a) Companies Act, 2013 for creation of mortgage in case Borrower is a Public Company or a Private Company which is a subsidiary of a Public Company Registered under the Companies Act.
- b. Copy/ies of property papers.
- c. Investigation of Title of properties.
- d. Submission of Insurance Policy on movable assets covering all risks obtained in the joint names of Borrower and IREDA along with other lenders with Bank Clause covering all usual risks.
- e. Registration of Charge with Registrar of Companies in case borrower is a Company Registered under the Companies Act.
- f. Income Tax Clearance Certificate u/s 281 of the Income Tax Act issued by the concerned Assessing Officer confirming no dues and proceedings pending and giving No Objection for availing IREDA loan and creation of charge on movable and immovable assets of the Borrower.
- g. No Objection Letters from all existing lenders for term loan and working capital limits having omnibus clause in the documents executed in their favour of charge on all present and future assets. In case of consortium financing, a certificate issued by consortium bank leader / institution on its own behalf and on behalf of other member banks / institutions will be acceptable.
- h. Letters from all Banks and Financial Institutions who are co-financier to the Borrower ceding pari passu charge on assets.
- i. Non Judicial Stamp Papers for preparation of documents. The Borrower has to pay Stamp Duty as per Policy, on creation of mortgage. Stamp papers as per Delhi laws will be arranged by IREDA at the cost of borrower.
- j. Deposit at New Delhi all Original documents of title and copy of plan / Map for the land / Project site issued by the concerned Revenue Officer through Authorised Director/s.
- k. Pari Passu Agreement will be executed between the lenders. The Agreement will be prepared by the Bank / Institution accepting mortgage, if desired by other Banks / Institutions.

Pari passu charge with other lenders - Hypothecation

- a. Non Judicial Stamp Papers for preparation of documents. The Borrower has to pay Stamp Duty on advelorem basis as applicable on creation of mortgage at the place where the Borrower's Registered Office and / or project are situated over and above the Delhi Stamp papers. Stamp papers as per Delhi laws will be arranged by IREDA at the cost of borrower.
- b. Registration of Charge with Registrar of Companies in case borrower is a Company Registered under the Companies Act.



- c. Income Tax Clearance Certificate u/s 281 of the Income Tax Act issued by the concerned Assessing Officer confirming no dues and proceedings pending and giving No Objection for availing IREDA loan and creation of charge on movable and immovable assets of the Borrower.
- d. Submission of Insurance Policy on movable assets covering all risks obtained in the joint names of Borrower and IREDA with Bank Clause covering all usual risks.
- e. No Objection Letters from all existing lenders for term loan and working capital limits having omnibus clause in the documents executed in their favour of charge on all present and future assets. In case of consortium financing, a certificate issued by consortium bank leader / institution on its own behalf and on behalf of other member banks / institutions will be acceptable.
- f. Letters from all Banks and Financial Institutions, who are co-financier to the Borrower ceding pari passu charge on assets.

Personal Guarantee

- a. Names, age, father's name, and residential addresses with telephone numbers of promoters / directors and for identification, photograph and copy of PAN, Passport, DIN who are to give personal guarantees for preparation of documents by IREDA.
- b. Execute Personal Guarantees.

Corporate Guarantee

- a. Memorandum and Articles of Association of Guarantor Company/ies.
- b. Resolution/s passed by the Board of the Guarantor Company/ies authorising Directors to execute the guarantee and affixing Common Seal in terms of its Articles of Association in IREDA format.
- c. Compliance of provisions of Section 185 & 186 of the Companies Act, 2013 along with suitable certificate from its Auditors as per the format of IREDA
- d. Photographs of executants

Establishment of Trust and Retention Agreement

- a. TRA will be executed by the Borrower in triplicate in IREDA's Standard Format.
- b. Letter from purchaser of power, DISCOM/SEB, State Utility as applicable confirming to deposit sale proceeds in the TRA Account in commissioned projects.

Pledge of shares:

- a. Resolutions to be passed by Board of Directors.
- b. Share Certificates issued by the Company along with a valid transfer deeds for each certificate.
- c. Attestation of signatures of allottee/s on transfer deed by Notary Public or his/their Nominee(s)
- d. In case, the pledge is to be created through an Attorney, a valid Power of Attorney will be executed by the allottee/s as per IREDA format.



- e. If the Power of Attorney is executed by a Company registered under the Companies Act, it will bear the Common Seal of the Company.
- f. Compliance of Sections 185 & 186 of the Companies Act 2013 along with suitable certificate from its Auditors as per the format of IREDA
- g. Pledge of Shares can be created by a Company through its Authorised representative as per its Board Resolutions.
- h. Noting of pledge in favour of IREDA by Company issuing shares.

Mortgage of immovable properties owned by Promoters / Directors (Collateral Security) :

- a. Title Investigation Report obtained by the Borrower from its own Advocate in IREDA format.
- b. Valuation report from CBDT / Government approved valuer empanelled by IREDA.
- c. Resolution passed by Company under Section 180 (1) (a) Companies Act, 2013 for creation of mortgage in case Mortgagor is a Public Company or a Private Company which is a subsidiary of a Public Company Registered under the Companies Act, if applicable.
- d. Registration of Charge with Registrar of Companies in case mortgagor is a Company Registered under the Companies Act.
- e. Income Tax Clearance Certificate u/s 281 of the Income Tax Act issued by the concerned Assessing Officer confirming no dues and proceedings pending and giving No Objection for availing IREDA loan and creation of charge on immovable assets of only corporate mortgagors.
- f. Photographs of executant

Note:

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TERMS AND CONDITIONS GOVERNING RELEASE OF FIRST INSTALLMENT OF LOAN (Tentative)

- 1) Legal documentation formalities including creation of mortgage in accordance with Loan Agreement.
- 2) Formal request for disbursement indicating the plan of utilization of funds and the items on which expenditure is to be incurred.
- 3) Furnishing the itemwise physical progress of the project.
- 4) Inspection of the project
- 5) Furnishing of Chartered Accountant's (Statutory Auditors) certificate in IREDA's prescribed format, interalia, covering the following information: confirming.
 - a. Item-wise expenditure already incurred on the project.
 - b. Utilization certificate of promoter's contribution indicating the expenditure incurred towards project before opening the No -Lien Account/TRA/Special Account and after opening No- Lien Account/TRA/Special Account.
 - c. The promoters having brought in their contribution as stipulated in the Loan Agreement for 1st disbursement.
- 6) A copy of latest printed Annual Report of the borrower duly certified by one of the Directors or Company Secretary. In case the Annual Report pertains to the financial year which expired more than six months ago, updated provisional accounts of the borrower of the current year duly certified by Director(s) / Chief Executive of the company would need to be furnished.
- 7) Payment of inspection and legal charges, if applicable.
- 8) Induction of Nominee Director on the Board, if any, appointed by IREDA.
- 9) Appointment of Concurrent Auditors / Engineers, if applicable and advised by IREDA.
- 10) Confirmation that necessary infrastructure has been established to absorb the funds being requested.
- 11) Copies of Agreements have been entered into by the borrowers with the Suppliers of machinery and Contractors, if applicable.

OTHER REQUIREMENTS (General)

- 1) Open a Trust & Retention Account (TRA) into which the Borrower shall mandatorily deposited all its cash inflows from the Project (incl. debt, equity, etc.) to be utilized/ applied in a manner and priority to be stipulated in the TRA Agreement. Confirm that all accounts other than those envisaged under the TRA Agreement have been closed. For this purpose, the Borrower shall have appointed a bank/institution (acceptable to lenders) as a Trust and Retention Agent and enter into a TRA Agreement.
- 2) Obtain a certificate from the LLC and LIE (corresponding to their respective scope of work) that all the Conditions Precedent to First Disbursement have been complied with to the satisfaction of Lenders/Lender's Agent.



- 3) Undertake that all cost incurred on LLC, LIE for availing the services of these agencies shall be borne by the Borrower.
- 4) Furnish all the undertakings to be executed by the Promoters, and Sponsor to the satisfaction of the Lenders.
- 5) Furnish copies of all the applicable statutory clearances, permits, approvals required for the start of implementation of the Project.
- 6) Confirmation from LIE that all approvals required for commencing implementation of the project are available at the Project Site.
- 7) Confirmation that the Project Site is under possession of the Borrower.
- 8) Land Lease agreement should have been executed.
- 9) The Borrower shall ensure that all project contracts executed for the Project shall be reviewed by LIE and LLC and any issues shall be resolved by the Borrower to the satisfaction of Lenders.
- 10) All project contracts as required by the LIE at the time of first disbursement for scheduled implementation of the Project shall have been executed.
- 11) All the Financing Documents shall have been executed and the same are in full force and effect backed by a legal opinion from LLC.
- 12) The LLC shall have submitted a due-diligence report covering its scope of work and the Borrower shall have resolved all issues raised by them to the satisfaction of the Lenders.
- 13) Lenders' Insurance Advisor (LIA) shall have been appointed on terms as decided by the Lenders for review and monitoring of the insurance arrangements for the Project. The Borrower will arrange for comprehensive insurance policies as per the advice by LIA and ensure that requisite insurance policies have been suitable endorsed in favour of the Lenders which should contain the Lenders' Security Stipulation and name the Lenders/Security Trustee as loss payees. A copy of this policy should be submitted to the Lenders/ LIA for review.
- 14) Lenders' Independent Engineer (LIE) shall have been appointed on terms as decided by the Lenders. The LIE shall have submitted a due-diligence report covering its scope of work and the Borrower shall have resolved all issues raised by them to the satisfaction of the Lenders.
- 15) All the Security shall be created upfront before disbursement. Perfection of the same shall be completed in due course of time
- 16) The stipulated Upfront Promoters' Contribution in the Project has been infused as evidenced by a certificate from the Chartered Accountant (acceptable to the Lenders).

SUBSEQUENT DISBURSEMENT

- 1) The subsequent disbursement/s shall be made on pro rata basis to the promoters' contribution brought in for the project and also taking into account the following, in addition to, compliance of pending conditions/formalities for earlier disbursements.
- 2) Conditions laid down at the time of last release of funds have been complied with to the satisfaction of IREDA unless otherwise permitted to be complied later.
- 3) Views of Nominee Director, if required, have been obtained.
- 4) Satisfactory progress on the Implementation of the project



- 5) Project inspection by IREDA official or its nominees. if required.
- 6) Interest payment up-to-date has been received/being adjusted from IDC by IREDA.
- 7) Reports of Concurrent Auditors, wherever appointed by IREDA are received.
- 8) Annual Reports as being sought at the time first of disbursement
- 9) Documents required to be furnished for claiming reimbursements if any, by IREDA from International Lenders are submitted.
- 10) Furnishing of Chartered Accountants (Statutory Auditors) Certificate along with documents as applicable for first installment of Regular disbursement.

Note:

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