



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2008 प्रमाणित)

(ISO 9001:2008 Certified)

03/22/DEL/WTE/TWTEPL/T3345001/ Vol I

5th March 2019

Sh. Manish Mishra,
AGM (Finance)
Tehkhand Waste to Electricity Project Ltd
Jindal ITF Centre, 28, Shivaji Marg
New Delhi – 110015

Subject: Loan No. – T3345001: Financial Assistance of Rupee Term Loan to Tehkhand Waste to Electricity Project Ltd (TWTEPL) for setting up 25 MW Waste to Energy Plant at Tehkhand, New Delhi

Ref: Your letter dated 23rd July 2018 and subsequent letters for subject loan

Dear Sir,

Please refer to your application for financial assistance vide letter cited at reference above and further correspondences/discussions you/your representatives had with us regarding financial assistance towards implementation of **25 MW Integrated Waste to Energy project at Tehkhand, Delhi.**

The proposal has been considered and Power Finance Corporation Limited ('PFC'/'the Corporation'), is in principle agreeable to grant you Rupee Term Loan Assistance (the "RTL assistance") to the extent of **₹278.50 crore (Rupees Two Hundred Seventy Eight crore and Fifty Lakhs only).** The following may kindly be noted in this regard:

1. The aforesaid term loan is subject to the terms and conditions set out in **Appendix-I & Appendix-II** hereto and would further be subject to the conditions set out in the Rupee Term Loan Agreement to be finalized later.
2. In case the above terms and conditions are acceptable to you, you may furnish to us within 30 days from the date of receipt of this letter, two certified copies of the resolutions duly passed by Board of Directors of **M/s Tehkhand Waste to Electricity Project Ltd** as per pro-forma in **Appendix-III.**
3. Please note that this communication should not in any way be construed as giving rise to any binding obligation on the part of PFC unless **Tehkhand Waste to Electricity Project Ltd** communicates to PFC within 30 days from the date of receipt of this letter that the terms and conditions set out herein are acceptable to it and unless the Loan Agreement and other documents relating to the above assistance are executed by TWTEPL in such form as may be required by PFC within six months from the date of this letter or such further time as may be allowed by PFC in its absolute discretion.
4. All Annexures are deemed to be a part of this Letter.

Kindly acknowledge the receipt of this Letter.

Yours sincerely,


(Bhupesh Gupta)

Manager – Projects(NR)

Enclosed: As Attached

Copy to:

1. GM (EA), PFC
2. GM (LR), PFC
3. GM (LD), PFC

Terms & Conditions of Sanction

Tehkhand Waste to Electricity Project Ltd ("The Company/TWTEPL")

I. Financial Terms

- a. **Financial assistance:** Rupee Term Loan to an extent of ₹278.50 crore (Rupees Two Hundred Seventy Eight crore and Fifty Lakhs only)
- b. **Purpose:** The proceeds of Rupee Term Loan shall be utilised by the Company solely for implementation of 25 MW Integrated Waste to Energy project at Tehkhand, Delhi.
- c. **Validity:** The sanction is valid till six months from the date of this sanction letter, or such further time as decided by PFC solely at its discretion but shall in no case be valid for more than eighteen months from the date of this sanction letter, unless a Loan Agreement is entered into before this date.
- d. **Interest rate:**
The Company shall, until the Term Loan is fully repaid, pay to PFC, interest on the principal amounts of the Term Loan outstanding from time to time, **at the applicable rate which shall be intimated separately.**
- e. **Additional Interest for non-creation of security:** In case of non-creation of security as specified at Para (II) below within the stipulated period, additional interest of 1% per annum (monthly compounding) over and above the applicable interest rate shall be charged for the period commencing from date of expiry of the stipulated period allowed (as per terms of sanction) for creation of security. This amount shall be payable on demand and in absence of any such demand, on the next Interest Payment Date falling after the stipulated date till the security specified is created.
- f. **Interest Reset:** Interest reset and its methodology i.e. determination of amount to be reset, reset date etc. shall be as applicable as per policy of PFC from time to time.
- g. **Liquidated Damages:** In case of default in payment of any instalment of principal amount of the Term Loan, interest thereon or other monies (except liquidated damages) becoming due on their respective due dates, the Company shall pay on such defaulted amounts, liquidated damages at the rate of 2% per annum (monthly compounding) over and above the applicable interest rate for the period of default. Liquidated damages shall be payable on demand and in absence of any such demand, on the next Interest Payment Date falling after the date of default. Arrears of liquidated damages shall carry interest at the applicable rate for the loan, computed on the footing of liquidated damages.
- h. **Interest tax levies and duties:** All rates of interest mentioned in this agreement are exclusive of interest tax and/or any such other levies / duties. Such interest tax / other levies / duties, if any, applicable, shall be payable by the Company to PFC over and above the rates mentioned herein above.
- i. **Upfront Fee:** The Company shall pay to PFC a one-time non-refundable and non-adjustable up-front fee of 0.25% of the loan amount plus applicable taxes payable before execution/ signing of the loan documents.



- j. **PFC's Commitment:** PFC's commitment to disburse against a loan will commence on first disbursement.
- k. **Right to Cancel:** PFC shall have the unconditional right to cancel the undrawn/un-availed/unused portion of the loan/facility at any time during the subsistence of the Loan/Facility, without any prior notice to the borrower, for any reason whatsoever. In the event of such cancellation, all the provisions of extant agreement and all other related documents shall continue to be effective and valid for the already drawn and outstanding portion of loan and the borrower shall repay the outstanding dues under the loan duly and punctually.
- l. **Last date of drawl:** Unless PFC otherwise agrees, the company's right to make drawal from the Term Loan shall cease on last date of drawal as decided by PFC and the Company at the time of signing of agreement.
- m. **Repayment:** The company shall repay / redeem the Rupee Term Loan in 60 (Sixty) structured quarterly instalments, on the standard due dates of April 15, July 15, October 15 and January 15, (each a "repayment date") of each year, commencing from the first standard due date falling 12 months of moratorium (Principal) after scheduled COD (31st March 2021) of the project. The repayment schedule shall be as per Appendix IV.

The company shall not prepay the outstanding principal amount of the Term Loan in full or in part unless PFC gives its explicit consent for such prepayment. Prepayment of the term Loan shall be at the sole discretion and on the terms and conditions stipulated by PFC.

- n. **Right to Sell:** During the subsistence of loan, PFC shall have the right to sell either part or total loan, whosoever is interested in taking over without recourse on PFC.

II. Security Package

The Facility together with all Interest, Additional Interest, Liquidated damages, further interest, prepayment premium, all and any other fees, financing charges, fees / remuneration payable to the Lender (including its representatives, trustees / agents) costs, charges, expenses and other monies whatsoever as stipulated in or payable under the Financing Documents, shall be secured by charge on the Security Interest stipulated below, to be created in favour of the Lender, as applicable:

Primary Security

- i. A first charge by way of mortgage in a form and manner acceptable to the Lender, over all the Borrower's immovable properties (in case of leasehold land mortgage of leasehold rights, as may be applicable), both present and future;
- ii. A first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future ;
- iii. A first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Borrower's intangible, goodwill, uncalled capital, both present and future ;
- iv. A first charge on the Borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower, both present and future;
- v. A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account (DSRA), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present & future; and



vi. assignment in favour of the Lender, on the following, relating to the Project:

- a) all the rights, titles, interests, benefits, claims and demands whatsoever of the Borrower in the Project Documents/ contracts (including but not limited to Power Purchase Agreements (PPA)/ Memorandum of Understanding (MOU), package/ Construction contracts, O&M related agreements, Service Contracts, etc.), duly acknowledged and consented to by the relevant counter-parties to such Project Documents;;
- b) all the rights, titles, interests, benefits, claims and demands whatsoever of the Borrower in the Clearances relating to the Project;
- c) all the rights, titles, interests, licenses, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents;
- d) all Insurance Contracts and Insurance Proceeds; and
- e) assignment of guarantees from EPC contractor/module supplier (if any) relating to the project;
It includes amendments/ modifications regarding (a) to (e) above from time to time

Sharing of Primary Securities

The aforesaid securities shall rank as follows-

- a) amongst the participating term lenders – All primary securities on first pari-passu basis
- b) with working capital lenders – All primary securities (except assignment and DSRA) on first pari-passu basis, to secure working capital fund based limit which shall not exceed ₹20 crore (except as approved by PFC), subject to working capital lenders sharing securities stipulated by them on pari-passu basis with Term Lenders
- c) with Banks/Institutions giving project guarantees and Letter of credit in favour of customs, fuel supplier and equipment supplier – All primary securities on first pari-passu basis, subject to a maximum of 5% of the cost of project (except as approved by PFC), subject to such banks/ institutions sharing securities stipulated by them on pari-passu basis with Term Lenders

The term lenders shall cede second charge on project assets in favour of SDMC to an extent of sanctioned Grant amount.

For Concession Agreement/Lease/License land (as applicable), borrower shall execute substitution agreement providing step in rights to the Lender in case of default.

Collaterals

- Pledge of Shares- At least 76% of project equity till currency of PFC loan.
- DSRA: At least 2 quarters (one already part of project cost and 1 quarters from cash flows)
- Corporate Guarantee of Danta Enterprises Pvt Ltd, Glebe trading Pvt Ltd and JUIL till currency of the loan.

Additional Security

- Personal Guarantee of Shri PR Jindal which shall be released after one (1) year from COD

Time Schedule for creation of above securities

- a) Creation of assignment and mortgage -6 months from the date of first disbursement
- b) Substitution agreement to be executed within six (6) months of first disbursement.
- c) All securities except DSRA, assignment and mortgage -to be created before first disbursement
- d) In case of failure to create the security as stipulated in the Security Package above, additional interest will be charged as per PFC policy.



Creation of additional security:

The Borrower undertakes that if, at any time during the subsistence of this Agreement, the Corporation is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loans then outstanding, the Borrower shall provide and furnish to the Corporation additional security as may be acceptable to the Corporation to cover such deficiency.

III. Additional Terms and Conditions**Pre commitment conditions**

1. Borrower and providers of unsecured loan (i.e. JUIL) shall in respect of unsecured loan shall undertake-
 - a) Promoters' Contribution by way of unsecured loan shall not have any charge/recourse on assets secured with PFC;
 - b) Any interest accrued/payable on unsecured loan till CoD of the project will not be considered as part of Project Cost;
 - c) Any interest on unsecured loan post COD shall be met only out of the dividend distribution account after meeting DSRA and all other Reserve requirements spelt out by PFC and same shall be subject to prior written approval of PFC.
 - d) No repayment/redemption of principal of such unsecured loan is permissible till the currency of the PFC loan except such release is made on fresh infusion of equity either proportionately or fully, with prior permission of PFC;
 - e) The agreement for unsecured loan shall not contain any terms/conditions contradicting the terms/conditions sanctioned by PFC and in case of any contradiction, terms/conditions stipulated by PFC shall prevail.
 - f) Any modification in terms & conditions with respect to unsecured loan will be with prior permission of PFC.
 - g) The providers of Unsecured loan shall undertake and acknowledge that PFC has stipulated that interest due and accrue, if any on such funding, shall be payable only after meeting DSRA and all other Reserve requirements, as per terms of sanction. The providers of unsecured loan shall undertake that with respect to any interest due on such amount, the right to receipt shall vest only after meeting DSRA and all other Reserve requirements spelt out by PFC.
2. Procure and furnish an undertaking from TWTEPL, JUIL, JUISL, DEPL and GTPL agreeing that the TWTEPL, JUIL, JUISL, DEPL and GTPL are in compliance and will maintain compliance of section 185 and 186 of Companies Act, 2013 (if applicable);
3. The Company shall provide an undertaking from promoters to cover any shortfall in payment of interest/principal during operation of the Concession Agreement. Further, the promoters shall arrange to pay any major penalties to Delhi's Municipal Corporation/any other party due to non-achievement or non-fulfillment of any condition of the Concession Agreement without any recourse to the project and its lenders.
4. The Promoters/Borrower shall undertake that any increase in lease charges beyond the limits prescribed in the lease agreement shall be paid by the promoter/borrower from its own resources.
5. The Company shall provide an undertaking from promoters that in case of termination of PPA for any capacity, due to any reason whatsoever, the promoters shall comply any additional conditions and/or additional collateral securities stipulated, with the satisfaction of PFC and the lender shall have the right to recall either proportionate or full loan amount disbursed.
6. Initial Grant amounting to ₹26.25 Cr. is received from SDMC, the Borrower/Promoter agrees for the following:



- a. To open the Bank Guarantee equivalent to 25% of the total grant amount i.e. ₹26.25 Cr. from its own sources. However, the same shall be replaced by LOC issued by PFC after compliance of pre-disbursement conditions. The balance disbursement shall be restricted to ₹252.25 Crore (₹278.5 Crore - ₹26.25 Crore).
 - b. The balance amount equivalent to ₹78.75 Cr. received from SDMC shall be utilized for prepayment of outstanding loan of PFC without charging any kind of prepayment premium.
 - c. PFC shall share the charge on pari-passu basis with the working capital lender equivalent to ₹78.75 Cr. only after receipt of payment from SDMC and prepayment of PFC's loan.
7. Initial Grant amounting to ₹26.25 Cr. is not received from SDMC, the Borrower/Promoter agrees for the following:
- a. The amount equivalent to ₹105 Cr. received from SDMC shall be utilized for prepayment of outstanding loan of PFC without charging any kind of prepayment premium.
 - b. PFC shall share the charge on pari-passu basis with the working capital lender equivalent to ₹105 Cr. only after receipt of payment from SDMC and prepayment of PFC's loan.
8. The Borrower shall agree that no dividend shall be declared during the moratorium period.
9. Borrower, Danta Enterprises Private Limited and Glebe Trading Private Limited shall undertake that any restructuring of Danta Enterprises Private Limited and Glebe Trading Private Limited shall be with prior permission of PFC and in case the companies cease to exist due to such restructuring exercise the Corporate Guarantees furnished to PFC shall be replaced by other suitable Corporate Guarantee or collateral.
10. The borrower shall procure and furnish an undertaking from the Corporate Guarantor (JUIL, Danta Enterprise Private Ltd and Glebe Trading Private Ltd.) that if the Corporate Guarantor(s) intends to issue any Corporate Guarantee(s) in future, Corporate Guarantor(s) shall-
- a) seek prior consent of PFC and
 - b) obtain approval of its shareholders by way of special resolution

Pre disbursement conditions

1. LE shall review the technology and the fuel used for conversion of waste to power.
2. All the contracts shall be executed on arm length basis (to be review by LIE/LLC/LIA)
3. No related part contract shall be executed by the Company. In case of related party contract(s), the commercial terms are not inferior to market standards (to be review by LIE/LLC/LIA).
4. All the major contracts shall be executed on lump sum basis (to be review by LIE/LLC/LIA).
5. All the Bank Guarantee/Performance Guarantee under various contracts shall be assigned to PFC (to be review by LIE/LLC/LIA).
6. Borrower to submit a certificate from CS/whole time Director of the borrowing company w.r.t compliance of provisions of Section 89 of companies Act 2013

Other conditions

1. No other instrument shall be allowed as promoter's contribution except equity shares and unsecured loan, without prior approval of PFC.
2. With reference to promoters' contribution in the form of unsecured loan-
 - a. Promoters' Contribution by way of unsecured loan shall not have any charge/recourse on assets secured with PFC;
 - b. Any interest accrued/payable on unsecured loan till CoD of the project will not be considered as part of Project Cost;
 - c. Any interest on unsecured loan post COD shall be met only out of the dividend distribution account after meeting DSRA and all other Reserve requirements spelt out by PFC and same shall be subject to prior written approval of PFC.



- d. No repayment/redemption of principal of such unsecured loan is permissible till the currency of the PFC loan except such release is made on fresh infusion of equity either proportionately or fully, with prior permission of PFC;
 - e. The agreement for unsecured loan shall not contain any terms/conditions contradicting the terms/conditions sanctioned by PFC and in case of any contradiction; terms/conditions stipulated by PFC shall prevail.
 - f. Any modification in terms & conditions with respect to unsecured loan will be with prior permission of PFC
3. There shall be no other form of promoters' contribution other than equity shares and unsecured loan without prior approval of PFC. PFC would reserve the right to re-appraise the project in such scenario.
 4. The Borrower shall ensure that the requisite approval for allocation of water required for operation of the plant shall be obtained one (1) months prior to COD.
 5. Any unsecured loan infused by the promoter towards project expenses during operations shall be taken out from the TRA only after compliance of the following conditions:
 - a. LOC issued by PFC is being released;
 - b. PLF of more than 80% for the last two(2) years;
 - c. Receivables are not more than 90 days;
 - d. Credit Rating of BBB- or more
 - e. No outstanding dues as on that date
 - f. No history of delayed payments since drawl of loan
 - g. Any restructuring of Danta Enterprises Private Limited and Glebe Trading Private Limited shall be with prior permission of PFC and in case the companies cease to exist due to such restructuring exercise the Corporate Guarantees furnished to PFC shall be replaced by other suitable Corporate Guarantee or collateral.
 6. Any restructuring of Danta Enterprises Private Limited and Glebe Trading Private Limited shall be with prior permission of PFC and in case the companies cease to exist due to such restructuring exercise the Corporate Guarantees furnished to PFC shall be replaced by other suitable Corporate Guarantee or collateral.
 7. At the time of creation of any pledge on shares in favor of lenders, borrower shall submit a certificate from CS/whole time Director of the borrowing company w.r.t compliance of provisions of Section 89 of companies Act 2013
 8. The borrower shall ensure that if the Corporate Guarantor(s) intends to issue any Corporate Guarantee(s) in future, Corporate Guarantor(s) shall-
 - seek prior consent of PFC and
 - obtain approval of its shareholders by way of special resolution

IV. Documentation

In addition to the terms and conditions contained in this Term Sheet, the final documentation will contain other customary clauses such as, Financial covenants, Representation & Warranties from the Borrower, Conditions Precedent to the effectiveness of the loan and condition precedents to each disbursement, Affirmative covenants by Borrower, Negative Covenants, Additional Covenants, Information Covenants, Events of Defaults by the Borrower and the Consequences of the Event of Default, Cross Defaults, RBI disclosure norms, as applicable, etc.



Modified Standard Terms and Conditions for Financial Assistance to Private Sector**PRE COMMITMENT**

The obligation of PFC to commit financial assistance for the Project shall become effective upon the Company complying with the following conditions to the satisfaction of PFC:

{A} The company shall have submitted the following undertakings to the satisfaction of PFC;

1. Shall create Securities as per terms of sanction;
2. Shall furnish, as & when sought for during the currency of the loan, the list of all the Directors on its Board along with list of Companies in which they are Directors and also inform when there is any change in the constitution of Board;
3. Shall comply with relevant provisions of Companies' Act with respect to borrowing power and amend its MoA and AoA, as and when required and applicable, to increase the authorised capital and paid up capital;
4. Shall obtain credit support undertaking from JITF Urban Infrastructure Ltd. (JUILL), JITF Urban Infrastructure Services Ltd. (JUJSL), Danta Enterprises Pvt Ltd (DEPL), Glebe Trading Pvt Ltd (GTPL) for infusion of equity in a timely manner in the project so as to maintain the specified D/E ratio and to the effect that any cost overrun of the project will be met solely by JITF Urban Infrastructure Ltd. (JUILL), JITF Urban Infrastructure Services Ltd. (JUJSL), Danta Enterprises Pvt Ltd (DEPL), Glebe Trading Pvt Ltd (GTPL) from further equity/funds to be contributed by them (and/or by any other entity with lenders prior consent) without recourse to the lenders and project assets. Credit support to be provided by JITF Urban Infrastructure Ltd. (JUILL), JITF Urban Infrastructure Services Ltd. (JUJSL), Danta Enterprises Pvt Ltd (DEPL), Glebe Trading Pvt Ltd (GTPL) shall be joint and several;
5. Shall not take any additional debt exposures/raise fresh equity/preference capital/other resources beyond the agreed funding pattern for the project and/or to take new project and/or expansion of existing project without the prior approval of PFC;
6. Shall agree that any change in equity sponsors other than JITF Urban Infrastructure Ltd. (JUILL), JITF Urban Infrastructure Services Ltd. (JUJSL), Danta Enterprises Pvt Ltd (DEPL), Glebe Trading Pvt Ltd (GTPL) submitted at the time of appraisal shall be subject to prior written approval of PFC. In case there is deterioration in the promoters' Grading as per PFC Policy, as a result of the change in equity sponsors, PFC would be entitled to prescribe additional conditions, including those pertaining to upfront equity requirement;
7. Shall provide evidences in the manner sought for that the company or its promoters are not in default with respect to the existing borrowings;
8. Shall obtain and keep in effect necessary approvals from GoI / RBI for Foreign Currency Loan / Guarantees / Equity Investments etc. as may be applicable and required;
9. Shall
 - i.) prepare a schedule for award of Project contracts adhering to or improving upon the envisaged implementation schedule for the Project (to be reviewed by LIE);
 - ii.) enter into binding agreements/contracts pertaining to the project including but not limited to project construction contracts or EPC contract, Fuel Supply Agreement, Power Purchase Agreement etc. required for successful implementation and operation of the project.
10. Shall agree that the technical configuration of the Project and the proposed project contracts, especially project construction contracts shall be reviewed by LE and LLC and that Lenders reserve the right to insist on recommended changes, as applicable, which shall be carried out by the Borrower;
11. Shall agree that only new and unused equipment shall be used in the project;

12. Shall obtain and keep in effect all required/applicable Statutory and non-Statutory Clearances and approvals for the implementation and operation of the project during the currency of the proposed loan and agree to comply with the conditionalities thereof;
13. Shall make suitable arrangements for project management / O&M during implementation and operation of the Project;
14. Shall furnish to Lenders such information and data as may be required by lenders to ensure that the physical progress as well as expenditure incurred on the project are as per schedule and also agree that the disbursements shall be made by Lenders on the recommendations of the LIE about the physical progress (actual & anticipated) of the project; (Applicable only in case where PFC is Lead)
15. Shall provide periodical progress report on the project in a desired manner both during construction and during operation till the currency of the loan;
16. Shall agree that conditions stipulated for financial assistance by other participating lenders, except for interest rate and fees, shall apply mutatis mutandis for PFC's financial assistance for the project;
17. Shall accept the unqualified right of PFC / RBI / CIBIL / appropriate body to disclose or publish, in case of default, the details of the default, name of the company and its directors in such manner and through such media, as they may, in their absolute discretion, deem fit;
18. Shall agree that the preliminary and preoperative expenses shall be allowed as part of the Project cost only to the extent they are certified by the LE / LFA / Other agency as relating to the Project and accepted by Lenders;
19. Shall agree any reduction in project cost on account of any cost savings duties / taxes and / or price reductions, there would be pro-rata reduction in all components of the Facility;
20. Shall agree that in case of default, Lenders reserve the right to sell the power generated from the project to third party(ies), subject to the provisions of PPA;
21. Shall agree that the Lenders shall have a right to appoint one / two Nominee Directors on the Board of Directors of the Company. (General condition, In case of PFC being Lead or PFC's funding is more than 25% of project cost or more than Rs.1000 crore, modify to reserve one Nominee Director post for PFC);
22. Shall agree for appointment of Lenders' Independent Engineer (LE), Lenders' Legal Counsel (LLC), Lenders' Insurance Advisor (LIA) and Lenders' Financial Advisor (LFA) and any other agencies as may be necessary for review and monitoring of the Project and also agree to bear the expenditure incurred for availing the services of these agencies; (Applicable only in case where PFC is Lead)
23. Shall obtain & maintain legal and valid possession of land required for the project free from all encumbrances;
24. Shall agree to the Banking Base Case financial model based on which PFC / Lenders have sanctioned the loan and also that in case of any material change in the same, PFC/ Lenders shall have the right to stipulate additional conditions at its discretion; (Applicable only in case where PFC is Lead)
25. Shall appoint technical, financial and other executives with suitable qualifications and experience for the key posts and put in place an organisational set up to ensure smooth and successful implementation and operation of the project;
26. Shall agree that at all times during the currency of the loan, JITF Urban Infrastructure Ltd. (JUILL) would have a minimum stake of 51% of total equity, that management control and majority Board representation shall be retained by promoters;
27. Shall obtain all requisite insurance policies in respect of the Project and other assets offered as security for the Facility and suitably endorsed in favour of the Lenders and submit the same for review by the Lenders Insurance Advisor (LIA)/Lenders' Engineer.



28. Shall initiate activities pertaining to securing CDM / CER benefits, if required including appointment of consultant;
29. Shall agree that any CDM/CER benefits would be routed through the TRA;
30. Shall agree that Letter of Comforts for issuance of Letter of Credits, if required, to be issued by PFC, shall be as per the terms and conditions of PFC;
31. PFC shall have the right to re-rate the project on substantial change in Entity and/or project parameters occurring before COD (but after first disbursement) or after COD and/or when there is substantial delay in project implementation schedule envisaged at the time of appraisal and on any other occasion, at its sole discretion, in line with PFC's prevailing integrated rating policy. In case of upgradation in rating, no benefit shall be available to the borrower. In case, there is deterioration in the integrated rating assigned consequent upon the aforesaid re-rating exercise, PFC shall stipulate interest rate and additional collateral securities / covenants as applicable to the revised integrated rating. Any change in the applicable interest rate as a result of rating shall take effect from the next due date for debt (interest and / or principal) servicing falling on/after approval of re-rating. The borrower agrees to comply with such additional covenants / security creation obligations (specified pursuant to revised integrated rating) as if such additional covenant/security creation obligations were always incorporated herein. The borrower shall be allowed a time of six months to create the additional securities;
32. The Company shall undertake that it shall do all acts to conform to the requirements of Depositories Act, 1996, Regulations made thereunder and any other applicable Law relating to the dematerialization of shares issued by a company (except 600 shares jointly held with individuals). The Company shall also undertake to ensure that all share issued by the company from time to time are issued in dematerialized form only.
33. The Company shall undertake that it shall do all acts, matters or actions that the Lender may require for registering the pledge of its dematerialized shares and/or for recording the creation of security interest and noting the lien thereby in the records of such depository or other entity.
34. The Borrower shall procure and furnish from its Promoters /Sponsors all necessary documents/ certificates/ deeds/ writings/ agreements/ statement of accounts in relation to the source of funds for Equity including details thereto, as required by PFC.
35. The Borrower shall undertake to procure and furnish from its Promoters/ Sponsors all documents/ certificates/ deeds/ writings/ agreements/ statement of accounts evidencing the source of funds in respect of each tranche of Equity infused by them as required by PFC.
36. The Borrower shall procure and furnish an undertaking from its promoter company agreeing and undertaking to submit all documents/ certificates/ deeds/ writings/ agreements/ statement of accounts evidencing the source of funds for Equity already infused by them and thereafter such documents for every tranche of equity infused by them as required by PFC.
37. The Borrower shall undertake that it shall take all necessary steps to ensure that the survey numbers related to the land owned by it is consolidated and converted into plot numbers before the process of mortgage of land is completed (as envisaged in the timeline relating to security creation).
38. The Borrower shall have arranged, to the satisfaction of PFC, inter alia the Company's shares in demat form (except 600 shares jointly held with individuals), all necessary approvals/ authorisations (including a special AGM resolution by the shareholders of the company) in line with all the statutory requirements for conversion of entire loan (including unpaid interest) or part thereof into shares in the company, in the Event of Default.
39. The Borrower shall submit an undertaking that in the construction contracts
 - a. The phasing and commitment of funds, the scope of works, and equipment to be acquired/supplied conform to the project scope and cost



- b. No related party contract(s) is involved amongst successful bidder, sub-contractor(s), Borrower or any other party involved in development/implementation/construction of the project. In case of related party contract(s), the commercial terms are not inferior to market standard;
 - c. The performance parameter in the contract shall be as per industry standards and shall be duly backed by suitable Bank Guarantee.
- 40. The Borrower shall undertake to submit the following to LIE for review and address the concerns, if any, before first disbursement:
 - a. the name of Supplier, and the amount of the contract, contract implementation period, performance parameters, guarantee(s)/ penalty(s)/ liquidated damage(s), and any other significant information
- 41. The Borrower shall submit an undertaking that all claims or disputes in connection with the contract shall be settled among the parties thereto, and no such claims or disputes shall exempt the Borrower from any obligation incurred under the Loan Agreement. Further, the Borrower/ Promoter(s) shall undertake that any review of the procurement procedure/ selection of contractor(s) by Lenders' Agent is solely for the purpose of due diligence by Lenders and shall not be construed as relieving the borrower/ promoter(s) to perform its obligations as per the terms of contracts/agreements or to complete the project effectively and efficiently within the cost, implementation plan and means of finance as stipulated by the Lenders;
- 42. The Borrower shall undertake to submit the following to LIE/LFA for review and address the concerns, if any, before first disbursement:
 - a. Past Experience, order book and current contractual commitment(s) of selected bidder/ EPC contractor/ major project construction contractor;
 - b. A detailed report on the capabilities of the selected bidder/ EPC contractor/ major project construction contractor which shall inter-alia include but not limited to Construction and Manufacturing Facility(s), Personnel involving technical, financial and other executives with suitable qualifications and experience on key posts and an organisational set up to ensure timely and successful implementation;
- 43. The Borrower shall undertake to submit the following:
 - a. Any proposed extension, modification, or change order, or any amendments therein for EPC contract/ major project construction contracts to LIE/Lenders for review and address the concerns, if any, to the satisfaction of LIE/Lenders, before granting a material extension of the stipulated time for performance of a contract, agreeing to any modification or waiver of the conditions of such contract, including issuing any change order or orders under such contract (except in cases of extreme urgency), subject to the limit of overall increase within Contingency head as estimated in the original project cost estimate. A copy of all amendments to the contract shall be furnished to the Lenders.
 - b. Shall obtain prior approval of Lenders before any proposed extension, modification, or change order, or any amendments therein for EPC contract/ major project construction contracts which have/expected to have any material change/impact in implementation schedule and cost of the project as estimated.
- 44. The borrower shall undertake to submit requisite insurance policies suitably endorsed in favour of the Lenders, in case of Multiple Package Contracts (to be certified by LIE), for credit enhancement/support in respect of wrap-up of multiple package contract, delay in achieving COD of the Project, shortfall in cash flows, etc. shall be obtained to the satisfaction of Lenders/LIE/LIA/LFA.

{B} The Company, to the satisfaction of PFC, shall



45. Have tied up the balance loan;
46. Submit a 'No Default Certificate' from the Statutory Auditors of Borrower and Promoter Company(ies) and a certificate from statutory auditors that the Directors of the promoter company/ies have not been disqualified under relevant provisions of the Companies act;
47. Submit KYC details in compliance of 'PFC Know Your Customer Policy';
48. Have appointed Owner's Engineer for the project;

PRE DISBURSEMENT

Before the obligation of PFC to disburse funds sanctioned under the RTL for the Project becomes effective, the Company, to the satisfaction of PFC shall:

A. {Entity Related}

1. Submit a certificate from Statutory Auditors/RoC that the authorized share capital of the company is increased in line with the infusion of equity required for the project;
2. Submit a certificate from Statutory Auditors/RoC that the share allotment has taken place as per the structure proposed;
3. Create securities as per terms of sanction;
4. Bring in 50% of the promoters contribution amounting to ₹59.68 Cr. as upfront equity;
5. Open a Trust & Retention Account (TRA) and agree that all cash flows of the Company, including equity capital, CDM/CER, VGF, Tipping Fee, Subsidy/Govt. Cash Support, Incentives etc. would be deposited in Trust and Retention Account(s), which would specify the priority, timing, utilization and the sequence of the cash flows to be decided pursuant to the Trust & Retention Account Agreement and agree to maintain adequate reserves, as may be specified, in all the sub-accounts as per the TRA Agreement. Name of the Bank/institution to be appointed as Trust & Retention Agent shall be stipulated by PFC for the purpose of execution of TRA Agreement in accordance with PFC policy;
6. No cheque/ online transaction facility will be allowed in the Trust & Retention Account. However, Lender may allow cheque facility in the sub-accounts of Trust & Retention Account based on operational needs. Further, PFC shall have the facility of online view, download & print the account statement(s)/ details of transaction of the Trust & Retention Account.
7. The Borrower shall have procured and furnished from its Promoters/ Sponsors all necessary documents/ certificates/ deeds/ writings/ agreements/ statement of accounts in relation to the source of funds for Equity infused by them as required by PFC.

B. {Contracts}

8. Have awarded contracts for the major packages/EPC Contract which would inter alia include packages for BTG, civil works and Balance of Plant etc., specifying amongst others performance guarantees, completion schedules, liquidated damages and payment terms (to be reviewed by LE);
9. Enter into contracts as may be required for completion of the project for items/works not covered in the scope of package /EPC Contracts and included in project cost estimate to the satisfaction of the Lenders/LE and subject to the satisfaction of the Lenders/LE regarding competence of such contractor;
10. Award contracts for evacuation and associated facilities within 12 months of first disbursement to the satisfaction of the Lenders and furnished a copy of the report **(to be reviewed by LIE)**;
11. The Borrower shall submit the following to LIE for review and address the concerns, if any, before first disbursement:
 - a. the name of Supplier, and the amount of the contract, contract implementation period, performance parameters, guarantee(s)/penalty(s)/liquidated damage(s), and any other significant information).



12. The Borrower shall submit the following to LIE/LFA for review and address the concerns, if any, before first disbursement:
- Past Experience, order book and current contractual commitment(s) of selected bidder/ EPC contractor/ major project construction contractor;
 - A detailed report on the capabilities of the selected bidder/ EPC contractor/ major project construction contractor which shall inter-alia include but not limited to Construction and Manufacturing Facility(s), Personnel involving technical, financial and other executives with suitable qualifications and experience on key posts and an organisational set up to ensure timely and successful implementation;
 - The performance parameter in the contract shall be as per industry standards and shall be duly backed by suitable Bank Guarantee.
13. The following certificate shall be obtained and submitted, before first disbursement:
- LIE/LLC certification that no related party contract(s) is involved development/implementation/construction of the project. In case of related party contract(s), the commercial terms are not inferior to market standard and shall be duly backed by suitable Bank Guarantee;
 - Lender's Financial Advisor (LFA)/practicing Chartered Accountant certification confirming that the transaction is an 'arm's length transaction' and that the transfer pricing involved is at arm's length, in cases where the contract(s) is a related party/group/associate/subsidiary company of the borrower.

{D} Waste to Energy

14. Submit a plan for fuel procurement & storage, to be reviewed and certified by the Lenders' Engineer for adequacy;
15. Agree that the company shall endeavour to obtain all capital and / or interest subsidy as applicable, and shall deposit the same into the TRA; (Pre-Commitment Condition)
16. Have obtained "NOC" from State Nodal Agency & DISCOMS and paid all requisite fees to State Nodal Agency & other Statutory Agencies as may be required, and submit proof of the same;
17. Sign a PPA for the 100% capacity;

{E} PPA

18. Have signed PPA with Trader/Discoms for a period not less than 20 years for quantum of 25 MW ;
19. The borrower shall ensure that all the PPAs/ agreements for sale of power expressly provide that all the amount shall be remitted by the offtaker(s) directly into the Bank Account designated as TRA and shall continue to remit in the same account unless otherwise advised and confirmed by PFC. The details of such TRA account and any changes/ modifications therein shall be furnished to offtaker(s) with the confirmation of PFC. Further, PPA should not be amended without the consent of the Lender.

{G} Clearances / Approvals

20. Obtain all statutory and other clearances required for implementation of the Project, including but not limited to NOC from State Pollution Control Board and Environmental & Forest clearance from MoEF, Gol (if required) **(to be reviewed by LIE)**;
21. Have got commuted applicable clearances / approvals / agreements, including MoU / PPA with <State Govt Agency / Any applicable agency>, in the name of any other entity pertaining to the project in favour of project company; (where applicable)
22. The Company shall undertake to submit the following to Lenders for review and address the concerns, if any, to the satisfaction of Lenders, within a period of 6 months from the date of first disbursement: (Pre-Commitment Condition, where applicable)

- a. An Environmental Management Plan with clear allocation of responsibilities and resources for its implementation during both construction and operation phase of the project.
 - b. Company shall prepare and submit to Lenders health, safety and emergency management plan for operation phase of the plant and address any concern arising thereof.
 - c. Health and safety management plan during construction phase in EPC contract and submit relevant portion of the document to the Lender for review and address any concern arising out of it.
 - d. Authorization for handling and disposal of waste oil under 'Hazardous Waste (Management & Handling) Amendment Rules, 2002
 - e. Fly ash utilisation plan in line with the requirements of Fly Ash Utilisation notification of MoEF.
23. The Borrower shall ensure that the requisite approval for allocation of water required for the operation of the plant shall be obtained prior to one(1) month of COD;
 24. Have finalised the route alignment for water pipeline and in the event of the route intersecting railway line, obtain permission from railway authorities **before PFC's first disbursement** (where applicable);
 25. Finalise the power evacuation scheme for the project and demonstrate that the power evacuation facilities would be in place to facilitate synchronisation, tests and evacuation commensurate with the commissioning schedule (to be reviewed by LE);
 26. Ensure that all requisite insurance policies have been taken in respect of the Project and other assets offered as security for the Facility, both during the construction phase and operation phase and suitably endorsed in favour of the Lenders and submit the same for review by the Lender's Engineer(LE)/Lenders Insurance Advisor (LIA). The insurance required during operation phase may be taken three months before actual COD. A list of the current insurance policies should be submitted to the Lenders detailing therein 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. Insurance policies should contain the Lenders' Security Stipulation and name the lenders as loss payees;
 27. Constitute a project management committee of directors / senior executives for the purpose of supervising and monitoring the project progress (physical and anticipated). The committee shall be responsible for the management of the project during the construction period including inter alia civil tendering and order placement; The Lenders reserve the right to nominate one nominee on their behalf to the Project Management Committee;
 28. Resolve issues arising out of the evaluation of the Project documents / structure raised by LE / LLC / LIC, if required by modifying the same;
- {H} 2 months prior to COD:
29. Finalise O&M arrangements or enter into an agreement for the same with an experienced and reputed O&M contractor **2 months** prior to scheduled COD of project;
 30. Make satisfactory arrangements for meeting working capital requirement of the project and furnish details in this regard. Lenders reserves the right to withhold disbursement of the amount of loan 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 the working capital commences;

OTHER CONDITIONS

During the currency of the Facility, the Company shall, to the satisfaction of PFC, comply with the following:

1. Permit the Lenders and their authorised officers or employees to carry out technical, financial and legal inspections of the assets created out of the Facility and to visit any facilities and construction sites included in the Project and to examine any plants, installations, sites, works, buildings,

properties, equipment, records and documents relevant to the performance of the obligations of Borrower under the Facility agreement. Any such representative of the Lenders shall have access to Borrower's properties and shall receive full cooperation and assistance from the employees of Borrower provided no material disturbance will be caused to the business and operations of Borrower;

2. Lenders may conduct one or more reviews of the Project before completion. The Company would provide all necessary information to the Lender as may be required for this purpose.
After such review, the Lender in their absolute discretion may deem fit and require the Company to take such measures as may be stipulated by the Lender in the light of the revised cost of the Project / Means of Finance / date of commencement of commercial operations.
3. Provide quarterly progress reports on the Project both during construction and during operation to the Lenders or as may be required by the Lenders;
4. Keep the Lenders informed of any circumstances adversely affecting the financial position of their subsidiaries/group companies or companies or in which it has large investments, including any action taken by the creditor against the said companies legally or otherwise till CoD of the project;
5. Ensure that expenditure on the project is as per schedule and obtain prior approval of Lenders for utilizing the amount of loans from the funds earmarked for the contingency provision in the cost of the project;
6. Appoint technical, financial and executive personnel of proper qualification and experience for the key posts and ensure that the organization set up is adequate enough for smooth implementation and operation of the Project;
7. The Company shall:
 - a. Create and maintain a separate reserve as Debt Service Reserve Account (DSRA) in the TRA to meet the debt service requirements for the ensuing two(2) quarters' principal and interest payment due to the Lender from the cash flows available after meeting the debt service obligations during the operational phase or provide a letter of credit / bank guarantee acceptable to the Lender, for an amount equivalent to ensuing two(2) quarters principal and interest payment due to the project Lender, in lieu of such deposit.
The amounts accumulated in the DSRA shall not be used for any purpose other than for servicing of Debt. The amount in the DSRA would be utilised only in case of a shortfall in cash flows for meeting debt service requirements from time to time. No payments of dividend to equity shareholders, interest or repayments to the providers of subordinate debt, if any, shall be made until the required appropriations / replenishments are made to the DSRA, to the satisfaction of the Lender and except with the prior consent of the Lender. The Company shall invest the funds in DSRA only in permitted investments and securities as approved by the Lender.
 - b. Maintain
 - i. An overall long term financing structure with Debt and Equity in the ratio of 70:30 respectively.
 - ii. Debt Service Coverage Ratio (DSCR) of not less than 1.12
 - c. Obtain and maintain in full force all the required statutory / non-statutory clearances for the Project.
 - d. Arrange by itself / through Contractors for meeting its requirements of construction materials, water and construction power for the Project to the satisfaction of the Lenders and obtain necessary licenses, permissions and authorisations for the same.
8. Shall submit KYC details in compliance of 'PFC know Your Customer Policy', as applicable from time to time.
9. The borrower shall not create any interest in favour of any other person without lenders' prior approval, on security interest created in favour of lenders.

10. During the currency of the loan, PFC shall have the right to assign all or any of its obligations or transfer the loan to any other FIs, Banks, ARCs without the consent of the borrower. (Applicable where PFC is not lead)
 11. All Transformers of 16 KVA to 200 KVA rating financed under the loan will be of 3 star or above only as required under the Standard & Labeling (S&L) program of Bureau of Energy Efficiency.
 12. PFC's commitment to disburse against a loan will commence on first disbursement.
 13. PFC shall have the unconditional right to cancel the undrawn/un-availed/unused portion of the loan/facility at any time during the subsistence of the Loan/Facility, without any prior notice to the borrower, for any reason whatsoever. In the event of such cancellation, all the provisions of extant agreement and all other related documents shall continue to be effective and valid for the already drawn and outstanding portion of loan and the borrower shall repay the outstanding dues under the loan duly and punctually.
 14. The Borrower shall have procured and furnished from its Promoters/ Sponsors all documents/ certificates/ deeds/ writings/ agreements/ statement of accounts evidencing the source of funds in respect of the current tranche of Equity infused by them as required by PFC.
 15. The Company shall ensure the dematerialisation or rematerialisation of shares (except 600 shares jointly held with individuals) pursuant to the Depositories Act, 1996 and Regulations made thereunder and shall obtain registration of the names of the beneficial owners thereof in the records of the Depository or any other intermediary. The Company shall also do all acts, deeds and actions to obtain and implement dematerialisation or rematerialisation of the Pledged Shares, and shall execute and deliver all deed, documents and order in writing necessary in this regard
 16. The Company shall ensure that all requirements of the Memorandum and Articles of Association for the creation of a valid and legally enforceable pledge by the Pledgor in favour of the Lender are satisfied and that with respect to the Memorandum and Articles, there is no restriction on dematerialization of its shares.
 17. PFC shall, upon occurrence of an Event of Default, have the right to convert at PFC's option, the whole or part of amount of the Loans (including interest) into fully paid up equity shares of the Borrower (as per prevailing RBI/ PFC policy) with voting rights, in the manner specified in a notice in writing to be given by PFC to the Borrower.
 18. Borrower shall agree for mapping of project assets and tracking progress of the project using services of National Remote Sensing Centre.
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Resolution to be passed at a meeting of the Board of Directors of The Company for Acceptance of the Terms & Conditions of Letter of Intent and Execution of Documents.

RESOLVED that the Company do accept the offer of PFC to provide to the Company financial assistance of ----- in terms of its Sanction letter no. ----- dtd. ----- and formally convey the same to PFC Ltd.

"RESOLVED FURTHER that the Company do execute the agreement, undertakings, power of attorney, deeds of hypothecation (draft copies of which have been initialled by the Chairman for the purpose of identification and as token of documents having been circulated to the Board/placed before the meeting), and also any further agreements, documents, deeds and/or undertakings as may be necessary for availing of the said financial assistance, and any disbursement(s) / interim disbursement(s).

"RESOLVED FURTHER that Shri ----- and Shri ----- be and are hereby severally authorised to agree to and accept any changes and modifications in the terms and conditions contained in the said Letter of Intent and ----- Agreement and to accept and execute any amendments to any deeds, documents and other writing, including the Agreement, as and when necessary."

"RESOLVED FURTHER that the Common Seal of the Company be affixed to the stamped engrossment(s) in duplicate of the Agreement for the aforesaid financial assistance as may be finalised between the Company and PFC, as also any deeds, documents and other writings including modifications by way of supplementary agreements, notes of amendments or otherwise as may be necessary in the presence of *any of the following Directors viz Shri ----- Shri ----- who will sign the same in token thereof and Shri ----- Secretary/ authorised person who shall sign/countersign in token thereof:

"RESOLVED FURTHER that Shri ----- and Shri ----- Directors be and are hereby authorised severally to execute such deeds, documents and other writings as may be necessary or required for the purpose aforesaid".

***"RESOLVED FURTHER that any one of the following Directors of the Company namely Shri ----- or any two of the following Officers of the Company namely Shri ----- and Shri ----- be and are hereby authorised to request PFC to open on behalf of the company in respect of the ----- loan(s) granted by PFC to company and to sign Letter of Credit

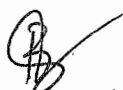
Application(s), Agreement(s) and Amendment(s) thereto other correspondence, deeds, including deeds of indemnity, acceptance, undertakings and to take and do all such acts, deeds and things as may be necessary or expedient for the aforesaid purpose."

"RESOLVED FURTHER that the aforesaid Directors and the aforesaid officers be and are hereby authorised severally to collect from PFC the original documents in connection with the aforesaid Letter (s) of Credit transaction."

"RESOLVED FURTHER that the company do specifically note and confirm that unless and until the ----- agreement(s) is entered into by the Company with PFC after compliance by the company of all the requisite formalities and conditions to the satisfaction of PFC the Letter of Intent does not give rise to any binding obligation on the part of PFC nor is PFC under any obligation or commitment to advance any monies to the company."

* In accordance with the Article of Association.

** To include if loan disbursed under Letter of credit.



Repayment Schedule

Qtr.	% age	Cumulative	Qtr.	% age	Cumulative	Qtr.	% age	Cumulative
1	0.40%	0.40%	21	1.80%	22.85%	41	1.67%	68.82%
2	0.40%	0.80%	22	2.00%	24.85%	42	1.67%	70.49%
3	0.40%	1.20%	23	2.00%	26.85%	43	1.90%	72.39%
4	0.40%	1.60%	24	2.00%	28.85%	44	1.90%	74.29%
5	0.50%	2.10%	25	2.00%	30.85%	45	1.90%	76.19%
6	0.80%	2.90%	26	2.00%	32.85%	46	1.90%	78.09%
7	1.25%	4.15%	27	2.50%	35.35%	47	1.90%	79.99%
8	1.25%	5.40%	28	2.50%	37.85%	48	1.67%	81.66%
9	0.50%	5.90%	29	2.00%	39.85%	49	1.67%	83.33%
10	0.80%	6.70%	30	2.00%	41.85%	50	1.50%	84.83%
11	1.40%	8.10%	31	2.50%	44.35%	51	1.50%	86.33%
12	1.50%	9.60%	32	2.50%	46.85%	52	1.50%	87.83%
13	0.50%	10.10%	33	2.50%	49.35%	53	1.50%	89.33%
14	0.80%	10.90%	34	2.50%	51.85%	54	1.50%	90.83%
15	2.00%	12.90%	35	2.50%	54.35%	55	1.50%	92.33%
16	2.25%	15.15%	36	2.50%	56.85%	56	1.50%	93.83%
17	0.50%	15.65%	37	2.50%	59.35%	57	1.50%	95.33%
18	1.80%	17.45%	38	2.60%	61.95%	58	1.50%	96.83%
19	1.80%	19.25%	39	2.60%	64.55%	59	1.65%	98.48%
20	1.80%	21.05%	40	2.60%	67.15%	60	1.52%	100.00%

