



भारतीय अक्षय ऊर्जा विकास संस्था सीमित  
(भारत सरकार का प्रतिष्ठान)

Indian Renewable Energy Development Agency Limited  
(A Government of India Enterprise)

**By Speed Post**

No.221/2282/EEC/2004/IREDA/4232

25<sup>th</sup> August, 2004.

M/s. Shri Ramrupai Balaji Steels Limited  
Regd.Off: 5, Bentinck Street  
1<sup>st</sup> Floor  
KOLKATA - 700 001  
WEST BENGAL.

Dear Sirs,

Sub	Loan Assistance of Rs.3384.00 Lakhs for setting up of 40.00 MW Captive Power Plant utilising Waste Heat Recovery Boiler and Fluidised Bed Combustion (FBC) Boiler at Village Banskopa, Tehsil Durgapur, District Burdwan in the State of West Bengal - Under Energy Conservation/Efficiency Category - Project Financing Scheme. (Project No.1692).
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Please refer to your application and subsequent correspondence and discussions your representatives had with us regarding financial assistance for setting up of 40.00 MW Captive Power Plant utilising Waste Heat Recovery Boiler and Fluidised Bed Combustion (FBC) Boiler at Village Banskopa, Tehsil Durgapur, District Burdwan in the State of West Bengal - Under Energy Conservation/Efficiency Category - Project Financing Scheme. Your proposal has been considered and Indian Renewable Energy Development Agency Ltd. (IREDA) is agreeable, in principle, to grant to your Company, as Borrower Term Loan **Rs.3384.00 lakhs (Rupees Three Thousand Three Hundred and Eighty Four Lakhs Only).**

2. The aforesaid rupee loan is subject to the General Conditions (IREDA General Conditions) copy whereof is enclosed and which are deemed to be part of this Sanction Letter, in addition to the normal terms and conditions as set-out in **Appendix-I**. The above facility is also subject to such additional conditions as may be stipulated by IREDA.

3. The Borrower shall enter into Loan Agreement with IREDA for the term loan.

4. A Specimen copy of the Loan Agreement (which is subject to such modifications before execution/issue as may be considered necessary) containing the normal terms and conditions for grant of such financial assistance is enclosed (**Appendix-II**). Draft of the Loan Agreements would be forwarded to the Borrower by IREDA after accepting by you of the terms and conditions of this Loan Sanction Letter.

5. In case the above terms and conditions are acceptable to you,

- I) you may furnish to us within 30 days two certified copies of the Resolutions duly passed by the Board of Directors of your company as per the pro-forma in **Appendix-III**. This Resolution must provide that the Borrower is agreeable to enter into the Agreement in the forms mentioned above within the time stipulated by IREDA and that till such the Agreements are executed, there is no obligation or commitment on the part of the IREDA to advance any money or incur any obligations.
- II) You may, within the same time as in (I) above, furnish to us a statement of anticipated drawls of loan indicating probable dates and amounts of drawls.

6. Please note that IREDA reserves the right to review/revoke the sanctioned loan and in case the loan has already been disbursed, to withhold disbursement of the balance loan and to recall the loan already advanced, in the event of subsequent developments coming to the notice of IREDA which may materially affect the financial health of the Borrower/Project and/or if IREDA comes to the conclusion that the Borrower shall not be able to implement the Project and you shall be bound by the decision of IREDA in this behalf.

7. Please note that this communication should not be construed as giving rise to any binding obligation on the part of IREDA unless you communicate to IREDA within 30 days from the date of receipt of this letter that the terms and conditions set out therein are acceptable to it and unless the Loan Agreement and other documents relating to the above facility are executed by the Borrower in such form as may be required by IREDA within 6 months from the date of this Loan Sanction Letter or such further time as may be allowed by IREDA in its absolute discretion and first disbursement of loan is drawn within further period of six months (over and above the period of 6 months mentioned above).

8. List of formalities to be complied with and certificate/documents to be submitted by the Borrower for facilitating early execution of loan documents and creation of security etc. is annexed hereto as **Appendix-IV**. The Borrower is requested to carefully go through the list and comply with the formalities and submit the documents; this will expedite the matters.

9. **Subject to the submission of documents/certificates precedent to the execution of Loan Agreement and which documents/certificates are found in order by IREDA, we are fixing the tentative date for Loan Execution to 1<sup>st</sup> October, 2004.** Meanwhile kindly acknowledge receipt of this letter.

Thanking you,

Yours faithfully,  
for Indian Renewable Energy  
Development Agency Ltd.



(K S Sridharan)  
Chief General Manager (PTS)

Encl : Appendices I,II,III and IV.

Copy forwarded for information and necessary action to:

- I) D(F)
- II) CGM(PMES)
- III) AGM(Law)
- IV) AES To MD

**Main Terms and Conditions forming part of the Loan Sanction Letter dated 25<sup>th</sup> August, 2004 issued to M/s. Shri Ramrupai Balaji Steels Limited**

**I (1) Rupee Loan Amount:**

Term Loan **Rs.3384.00 lakhs (Rupees Three Thousand Three Hundred and Eighty Four Lakhs Only).**

**(2) Front-End Fee :**

The Borrower shall pay one time lump-sum Front-End Fee @ 1.60% of the amount sanctioned before or on the date of execution of Loan Agreement. The Front-End Fee once paid is not refundable in any circumstances.

**(3) Interest :**

The Borrower shall pay to IREDA interest on the principal amount of loan at the rate prevalent on the date of drawal of first disbursement out of the sanctioned loan, irrespective of any changes in the interest rate in future. The present applicable rate of interest on the loan for the Project is 10.00% p.a. It is clarified that the rate of interest as applicable is fixed and:

- I) that no rebate in interest rate will be allowed on account of prompt repayment/payment, and
- II) that the rate of interest is exclusive of interest tax, i.e., plus interest tax at applicable rate, if any, and shall be payable by the Borrower.

Such interest shall be payable quarterly each year on the 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December.

**(4) Additional Interest on Interim Loan(s) :**

Additional interest at the following rates over and above the applicable rate of interest will be charged till creation of mortgage security of immovables and which interim loan may be sanctioned to the Borrower on the merits of the case and at the sole discretion of IREDA and on the security of Bank Guarantee of Scheduled Commercial Bank.

**Period :**

a)	Upto 3 months from the date of disbursement of first installment of interim loan.	1.50%
b)	Above 3 months and up to 6 months from the date of disbursement of first installment of interim loan.	2.00%
c)	Above 6 months and up to 9 months from the date of disbursement of first installment of interim loan.	2.50%

(5) **Further interest :**

All interest which shall become due during the currency of the loan or any part thereof and for the time being remaining unpaid, and all other moneys which have become payable by the Company to IREDA, in case the same is not paid on the dates on which they fall due, carry further interest and shall be computed from the respective date(s) of such interest or moneys accruing due and all such interest and further interest which have become payable but not paid, shall become payable upon the footing of compound interest with rests taken or made quarterly as herein-before provided.

(6) **Liquidated damages :**

In case of default in payment of installment of principal, interest and all other monies (except liquidated damages) on their respective due dates, the Borrower shall pay on the defaulted amounts, liquidated damages at the rate of 5.00% per annum for the period of default. Liquidated damages shall be payable in the manner and on the dates as specified in the Loan Agreement for payment of interest. Arrears of liquidated damages shall carry interest at the rate applicable to loan.

(7) **Period of repayment of the loan:**

There will be a **moratorium** of maximum of **Two years** from the date of execution of Loan Agreement and thereafter loan will be repaid in **24** quarterly installments. The repayment of installments of principal and payment of installments of interest will, however, become due and payable on 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December, each year.

Provided further that the Borrower shall note and agree that the moratorium shall be linked to the first disbursement or expiry of six months from the date of execution of Loan Agreement, whichever is earlier of the said two dates at the sole discretion of IREDA and that the Borrower shall abide by the decision of IREDA.

(8) **LAST DATES OF WITHDRAWAL OF LOAN :**

Unless IREDA otherwise agrees and on such terms and conditions as IREDA might stipulate which may include the condition for charging higher rate of interest than what is mentioned in the Loan Agreement, the terminal dates shall be as follows:-

- (i) To sign Loan Agreement within six months from the date of issue of Sanction Letter
- (ii) To draw first installment of loan on or before expiry of **Six Months** from the date of execution of Loan Agreement.
- (iii) To draw final installment of loan on or before expiry of **Nineteen months plus 15 days** from the date of execution of Loan Agreement.

and that the Borrower shall be abide by the decision of IREDA in this behalf.

(9) **Project: Setting up of 40.00 MW Captive Power Plant utilising Waste Heat Recovery Boiler and Fluidised Bed Combustion (FBC) Boiler at Village Banskopa, Tehsil Durgapur, District Burdwan in the State of West Bengal – Under Energy Conservation/Efficiency Category – Project Financing Scheme.**

A) **Project Cost:**

S.No.	Description	Cost (Rs. in lakhs)	Cost proposed to be financed by IREDA (Rs. in lakhs)
1	Land and Site Development	30.00	00.00
2	Buildings and Civil Works	335.00	00.00
3	Plant & Machinery (Indigenous)	13199.98	3087.00
4	Preliminary & Pre-operative Expenses	277.12	00.00
5	Interest During Construction Period	876.90	297.00
6	Provision for contingencies	271.00	00.00
7	Margin Money for Working Capital	50.00	00.00
	<b>Grand Total</b>	<b>15040.00</b>	<b>3384.00</b>
	<b>Per MW Cost</b>	<b>376.00</b>	

### B) Means of Finance for Project Cost:

Sl. No.	Source	Amount (Rs. in lakhs)
	<b>Promoters Contribution:</b>	
a.	Fresh Equity	4515.00
b.	Internal Accruals	00.00
c.	Unsecured/Subordinate Loans	00.00
d.	Other Means of Finance	00.00
	<b>Total Promoter's Contribution</b>	<b>4515.00</b>
d.	Term Loan:	
	> from IREDA	3384.00
	> from Others	7141.00
	<b>Total Term Loan</b>	<b>10525.00</b>
	<b>Total Project Cost:</b>	<b>15040.00</b>

### 10. Installments of interest payable to IREDA on loan during construction period of the Project:

- (i) The Borrower shall agree, note and confirm that the total cost of the project as finalised and approved by IREDA is Rs. **15040.00** lakhs (Rupees One Thousand Five Hundred and Forty Lakhs Only), which includes sum of **Rs.297.00** lakhs being the interest payable to IREDA, during construction period i.e., before the project goes for commercial operation against which IREDA has sanctioned loan of **Rs.3384.00** lakhs to the Borrower. The Borrower shall further agree, give its consent and confirm that IREDA is authorised to deduct sums equivalent to the interest payable to IREDA during the construction period of the Project for the sum of **Rs.297.00** lakhs against sanctioned loan of **Rs.3384.00 lakhs** out of the loan sanctioned to the Borrower by IREDA for payment of installments of interest on due dates and the said disbursement by way of adjustment against payment of installments of interest payable during construction period shall be deemed to have made with authorisation and with the consent of the Borrower and no fresh authorisation/consent would be necessary to be given by the Borrower. The Borrower shall further agree and confirm that disbursement so made to IREDA out of the loan towards payment of installments of interest during construction period shall carry same rate as applicable to regular loan/interim loan as applicable to disbursement made to the Borrower for project and the Borrower shall abide by the decision of IREDA.

The Borrower shall further agree and give its consent that authorisation given to IREDA to adjust the disbursement out of the sanctioned loan of **Rs.3384.00 lakhs** towards payment of interest payable to IREDA during construction period of the project shall be irrevocable and binding on the Borrower and the Borrower shall not raise any objection to this arrangement.

## **II : SPECIAL TERMS AND CONDITIONS :**

### **A) Security :**

The loan together with the interest, interest tax, liquidated damages, commitment fee, premia on repayment or on redemption, costs, expenses and other monies shall be secured by;

- (1) **First charge by way of Mortgage** in favour of IREDA in such form as IREDA may require on all the immovable properties of the Borrower both existing and future including and pertaining to proposed 40.00 MW Captive Power Plant utilising Waste Heat Recovery Boiler and Fluidised Bed Combustion (FBC) Boiler at Village Banskopa, Tehsil Durgapur, District Burdwan in the State of West Bengal – Under Energy Conservation/Efficiency Category – Project Financing Scheme.
- (2) **First charge by way of Hypothecation** in favour of IREDA of all the Borrower's movable assets/properties both existing and future including and pertaining to proposed 40.00 MW Captive Power Plant utilising Waste Heat Recovery Boiler and Fluidised Bed Combustion (FBC) Boiler at Village Banskopa, Tehsil Durgapur, District Burdwan in the State of West Bengal – Under Energy Conservation/Efficiency Category – Project Financing Scheme.

The mortgage/hypothecation charge on immovable and movable properties shall rank pari-passu with the mortgage/hypothecation created by the Borrower in favour of other existing lenders of the Borrower.

### **(3) (A) Personal Guarantees of**

1. Shri Aditya Jajodia
2. Shri Rajiv Jajodia
3. Shri Sanjiv Jajodia

Promoter-Directors of the Borrower.

### **(B) Corporate Guarantees of:**

1. M/s. Enfield Suppliers Limited
2. M/s. Jai Balaji Sponge Limited
3. M/s. Jai Salasar Balaji Industries Private Limited
4. M/s. Chandi Steel Industries Private Limited

- No guarantee commission shall be payable to the Guarantors and the guarantees shall be joint and several.
  - Please furnish us the details of age, father's/husband's name and residential address of the Guarantor(s) giving guarantee. If any of the Guarantor(s) is/are a Non Resident Indian(s) or a Company incorporated abroad, approval of Reserve Bank of India will be required.
  - The Borrower shall ensure and give undertaking to IREDA that unless the shares of the Borrower Company are listed on Stock Exchange, the stake of the Guarantors shall not be less than 50% of the paid-up equity capital of the Borrower at any stage during the currency of loan.
  - Please furnish copies of the Memorandum and Articles of Association of Guarantor Company and its Shareholders Resolutions passed u/s 372A of the Companies Act, 1956 along with their Statutory Auditor's Certificates that the guarantee proposed to be given in favour of IREDA is within the limits as approved by Shareholders within the meaning of Sec. 372A of Companies Act and (i) the Guarantor Company is competent to issue the guarantee in terms of Memorandum of Association of Guarantor Company and (ii) provisions of Section 295/372A of the Companies Act have been duly complied with by both the Guarantor Company and Borrower and that wherever the approval of Public Financial Institutions and/or Central Government as required has been obtained. The Board of Guarantor Company may be requested to pass resolutions as per draft enclosed.
- (4) **Deposit of Post dated cheques** towards payment of Installments of principal loan amount in accordance with agreed repayment schedule and Installments of interest payable thereon;
  - (5) **Earmarking of Cash Credit Limit:** The Borrower shall cause its Banks with which Banks the Borrower has Working Capital Arrangements that the Banks shall earmark amounts equivalent to dues of IREDA in respect of installment of loan and installment of interest payable thereon for one quarter, for each quarter, and that the said earmarking of amounts for subsequent quarters shall continue till such time as Borrower has repaid the entire loan of IREDA with interest and other moneys payable thereon in full and for the said purpose the Borrower shall submit suitable letters/documents from the Banks in such form as IREDA may require and the said letter/s shall be countersigned/confirmed by the Borrower.
  - (6) The Promoters of the Borrower shall give undertakings that (i) they shall meet the shortfall, if any, occurring in the cost of the project and/or for working capital requirements; (ii) they shall not pledge/dispose off their share holdings in the company during the currency of IREDA loan. Further whole time directors would give undertakings that they shall not resign their office/s as Managing Director/whole time director(s) without the approval of IREDA.

**B) Pre-disbursement conditions:**

Before availing of loan assistance from IREDA, the Borrower shall comply/ agree to comply with the following conditions to the satisfaction of IREDA :-

- (1) Complete legal documentation including creation of security.
- (2) Furnish certificate from your Statutory Auditors showing the item-wise expenses incurred on the project and amount already invested in the project and means of finance for the same with reference to approved component of project costs/sources of funds.
- (3) Compliance of terms and conditions indicated in this Loan Sanction Letter.
- (4) The Borrower shall submit No Lien Account opening letter from a Scheduled Commercial Bank foregoing their right to set off on the said Account as per draft enclosed **before signing of Loan Agreement.** The Borrower shall agree and undertake that in addition to the loan amount, the Borrower shall route the entire future equity through the No Lien Account.
- (5) To send compliance of the formalities/conditions as are listed in IREDA's Legal Form No.118 and which are **precedent to the execution of Loan Documents well before signing of Loan Agreement.**
- (6) To submit Resolution as passed by the Board of the Borrower at a regularly convened Board Meeting, authorising borrowing of loan as per this Sanction Letter and execution of Loan Documents in the prescribed form of IREDA well before signing of Loan Agreement.
- (7) To deposit Front End Fee @ 1.60% of amount of loan sanctioned, by Demand Draft payable at New Delhi **on or before signing of Loan Agreement.** The Front End Fee once paid is not refundable in any circumstances.
- (8) To submit Statutory Auditor's Certificate that the Borrower's existing borrowings together with the proposed borrowings from IREDA are within limits as approved by shareholders under sec.293(1)(d) of the Companies Act, along with the resolutions passed by the shareholders under Sec.293 (1) (a) and 293 (1) (d) of the Companies Act **before execution of Loan Agreement.**
- (9) The Borrower shall produce certificate from the Advocate that the Borrower has acquired land required for the project by proper Sale Deed/Lease Deed and the Borrower has good and marketable title thereto **well before signing of the Loan Agreement.**

- (10) The Borrower shall declare and confirm **on or before signing of Loan Agreement** -that the orders for services or supply of Plant and Machinery and contracts for Civil Works have not been awarded or proposed to be awarded to the Firms and Group Companies of the Borrower and that the directors of the Borrower are not interested/connected in any way in such Firms/Companies, otherwise the Borrower shall obtain the approval of IREDA for placing order and award of such Contracts to the Machinery Suppliers/Contractors
- (11) The Borrower shall provide Stamp Papers of the State and in which State the documents are signed; that is to say, if the documents are signed at New Delhi, as is the practice with IREDA, the Stamp Papers of Delhi State will need to be furnished on or before the date fixed for execution of Loan Documents. The cost of the Stamp Papers will be around Rs.500. It is further clarified that if the documents attract Stamp Duty on advelorem basis at the place where the Borrower's Registered Office and/or project are situated, the Borrower shall provide additional Stamp Papers of the said State **before execution of Loan Documents.**
- (12) The Borrower shall furnish signatures of the Directors/Executives who would be dealing/corresponding/executing documents with IREDA for and on behalf of the Borrower duly attested by an official of the Borrower's Bankers **within 30 days from the date of this Sanction Letter.**
- (13) The Borrower shall agree and undertake that the Borrower shall furnish to IREDA list of all the directors on its Board along with list of the companies in which they are interested as directors and that the said list shall be furnished to IREDA **on or before signing of the Loan Agreement** and at every time when new director is taken on its Board till such time as loan of IREDA is paid in full. The Borrower shall declare that none of its Director is willful defaulter nor its Directors are on the Boards of the companies declared as willful defaulters within the Guidelines of RBI.
- (14) The Borrower shall obtain and furnish Pari - passu charge letters from the existing pari-passu charge lenders and No-Objection letters from others as per agreed pattern of security **before approaching IREDA for first disbursement of loan.**
- (15) The Borrower shall give an undertaking stating that they shall not procure any material/services for the project from any of their group company(ies) without IREDA's prior permission in writing **before signing of Loan Agreement.**
- (16) The Borrower shall agree and undertake **before signing of Loan Agreement** that in case the flue gas is not available, the Borrower shall arrange for alternate fuel arrangement like Natural Gas to run the power plant so that the power can be sold to Group Companies/Third Parties.

- (17) The Borrower shall agree and undertake to submit confirmatory letter from the Working Capital Banker for earmarking the cash credit limit **before approaching IREDA for first disbursement of loan.**
- (18) The Borrower shall agree and undertake to furnish to IREDA the NOC from the Pollution Control Board **before approaching IREDA for first disbursement of loan.**
- (19) The Borrower shall agree and undertake to tie – up for co-financing of power project **before approaching IREDA for first disbursement of loan** to the satisfaction of IREDA.
- (20) The Borrower shall agree, undertake and ensure that the promoter's contribution is raised through IPO **before approaching IREDA for first disbursement of loan.**
- (21) The Borrower shall note that IREDA has appraised the project assuming interest rate for loans raised/to be raised from other Institutions/Banks at 10% per annum. The Borrower shall further agree and undertake that in case it is found **before first disbursement** that loan(s) of other Institutions/Banks is/are carrying higher interest rate than interest rate on IREDA loan, IREDA shall have the right to reappraise the project and take decision accordingly and that the borrower shall abide by the decision of IREDA.

**Special conditions as applicable to the Borrower :**

- (1) The Borrower shall note and agree that IREDA shall have the right to appoint Concurrent Auditors for the project **before making first disbursement of Loan** to the Borrower to examine the item wise expenditure incurred for the project. The Borrower shall further agree and confirm that the expenditure incurred on the Concurrent Auditors shall be borne by the Borrower and the Borrower shall abide by the decision of IREDA and shall not raise any objection thereto.
- (2) The Borrower shall note and agree that IREDA shall not finance cost escalation, if any, in the cost indicated for individual items. The Borrower shall further agree and undertake that in case of any saving in the cost indicated for individual items, the term loan of IREDA shall be reduced accordingly and that the Borrower shall abide by the decision of IREDA and shall not raise any objection thereto.

- (3) The Borrower shall agree, note and confirm that sanction of loan by IREDA to the Borrower out of World Bank Funds is on the condition that IREDA would be able to commit World Bank funds for the project subject to the availability of World Bank Funds with IREDA and that the issuance of Project Implementation Authority Certificate (PIAC) shall be dealt with accordingly and that the Borrower shall abide by the decision of IREDA and shall not raise any objection thereto.

In case the loan is disbursed out of World Bank - II Line of Credit, the Borrower shall agree and undertake to comply with the procurement Procedures for the project and also Environmental and Social Impact Conditionalities for availing loan out of World Bank - II Line of Credit as per requirement/Guidelines of World Bank/IREDA and that the Borrower shall abide by the decision of IREDA and shall not raise any objection thereto.

Further, the Borrower shall agree and note that,

- i) the Borrower shall submit all the necessary documents and comply with all the requirements under the World Bank II Line of Credit and shall complete/comply with all the securities and other requirements of IREDA such that disbursements from IREDA are completed positively before 31<sup>st</sup> March, 2006 failing which the Borrower shall not be entitled to claim and obtain the benefits under the Project Implementation Authority Certificate (PIAC) for the customs/excise concessions/taxes purpose.
  - ii) in the event IREDA issues PIACs for the project, the project cost will be reduced to the extent of duty benefit to be availed by the Borrower and the loan amount will be reduced proportionately.
- (4) The Borrower shall agree and undertake to obtain prior permission of IREDA, in writing, before taking any additional loan for the project over and above the loans as per Means of Financing.
- (5) The Borrower shall agree and undertake that in case any capital subsidy/loan/Grant is sanctioned by any other Financial Institution/Bank/Govt. Agency over and above the approved Means of Finance, IREDA's loan shall be reduced to the extent of subsidy/Loan/Grant accordingly and that the Borrower shall abide by the decision of IREDA and shall not raise any objection thereto.
- (6) The Borrower shall furnish to IREDA the copies of Purchase Orders, Invoices, Quotations, contract documents, receipts and delivery challans in respect of the equipments financed by IREDA to the satisfaction of IREDA.

- (7) The Borrower shall agree and undertake that in case the Borrower enters for any arrangement for selling Carbon Credit/Certified Emission Reduction (CER)/verified Emission Reduction (VER) saved under the project either within CDM or otherwise, IREDA shall be given/provided with first charge on the cash flow from such Carbon Credit/CER/VER sale and for the said purpose the Borrower shall execute such deeds in favour of IREDA as IREDA may require.

D) **Other conditions :**

The Borrower shall submit the following documents/comply with the following conditions :

- i) The Borrower agrees and undertakes that the Borrower shall furnish an authenticated copy of permission of State Government or other Government Departments including State Electricity Board, if any, required, for implementation of the project.
- ii) The Borrower agrees and undertakes that the Borrower shall obtain requisite approvals / No Objection Certificates/ enter into agreements for implementation of the project from/with State and Central Government Agencies, particularly State Electricity Board, State Pollution and Environment Control Board and local bodies and furnish copies of the same to IREDA, if required.
- iii) The Borrower shall agree and undertake that the promoters of the Borrower and/or the Borrower shall arrange Term Loan of Rs.7141 lakhs from other Institutions and bring in an amount of **Rs.4515.00 Lakhs** as promoter's contribution or any such higher amount required to meet any shortfall if it arises to meet the cost of the Project as per Means of Finance and/or for working capital requirements. The Borrower agrees and undertakes that it shall increase its authorised capital, if required.
- iv) The Borrower shall implement the project within the projected time schedule and within the overall cost of **Rs. 15040.00 lakhs**, in accordance with the financing plan as approved by IREDA. Cost overrun, if any, shall not be borne by IREDA and you and/or your promoters will have to arrange at their own.
- v) The Borrower shall furnish copy of Plan/Map for the land/project site to IREDA.
- vi) The Borrower shall furnish a detailed schedule of implementation of the project to IREDA to the satisfaction of IREDA.
- vii) The Borrower agrees and undertakes to affix plate on the Systems, Machinery and Equipments, that the Project has been financed by IREDA so long as IREDA's loan subsists and shall satisfy IREDA about its compliance by producing photographs of the Machines and Equipments with plate affixed thereon at regular intervals.
- viii) The Borrower shall make arrangements for erection and commissioning of the said Project to the satisfaction of IREDA.

- ix) A) The Borrower shall keep the mortgaged and charged properties in good condition at its own cost and shall keep the same insured up to the replacement value thereof as approved by IREDA (including Surveyor's fee) the properties charged/to be charged to IREDA and such of its other properties as are of an insurable nature against fire, theft, lightening, explosion, storm, tempest, flood, earthquake, riot, strike, civil commotion, erection and such other risks as may be specified by IREDA, and shall duly pay all premia and other sums payable for that purpose. The insurance in respect of the properties charged/to be charged to IREDA shall be taken in the joint names of the Borrower and IREDA and any other person or institution having an insurable interest in the properties of the Borrower and acceptable to IREDA. The Borrower shall keep deposited with IREDA, the insurance Policies and renewals thereof.
- B) In the event of failure on the part of the Borrower to insure the properties or to pay the insurance premia or other sums referred to above, IREDA may get the properties insured or pay the insurance premia and other sums referred to above, as the case may be.
- C) Loss or damage by uncovered risks
- The Borrower shall promptly inform IREDA of any loss or damage which the Borrower may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc., against which the Borrower may not have insured its properties.
- xi) The Borrower shall obtain the project clearance for the Project from State Electricity Board and/or State Government, if required.
- xii) The Borrower agrees and undertakes that the Borrower shall not change its present constitution in any way and the Borrower shall not go for merger/demerger/amalgamation and/or any scheme of arrangement without the previous consent of IREDA in writing and IREDA shall have right to refuse/impose such conditions as it may consider essential.
- xiii) The Borrower agrees and undertakes that IREDA's loan will be utilised only for the project approved by IREDA and to meet the eligible cost of expenditure and materials and for no other purposes whatsoever.
- xiv) The Borrower agrees and undertakes to pay to IREDA the inspection and legal charges etc., incurred in connection with the project from time-to-time.
- xv) The Borrower agrees and undertakes not to change supplier(s) of machinery(ies) as already approved by IREDA, without previous consent of IREDA in writing.

- xvi) The Borrower agrees and undertakes to furnish two copies of its Annual Reports every year to IREDA during the currency of IREDA's loan.
- xvii) The Borrower agrees and undertakes that the scope of the project beyond the quantity design, and specifications approved by IREDA shall not be changed without the approval of IREDA in writing.
- xviii) The Borrower shall agree and undertake to use and utilise the project loan money solely for the project and for no other purposes. The Borrower shall not, without the prior permission of IREDA invest any part of the loan money advanced by way of deposits, loans, share capitals or otherwise in any concern. The Borrower agrees, undertakes and confirms that in case it is found that the Borrower has not utilised the loan for the purposes for which it has been advanced and/or has misutilised the loan, the Borrower shall refund/reimburse the loan amount with interest at the rate of interest 16.00% p.a. without rebate plus interest tax at the applicable rate plus liquidated damages to IREDA and the Borrower shall abide by the decision of IREDA in this behalf.
- xix) The Borrower shall ensure as far as feasible at least 25 trees are planted at project site and in the neighbourhood.
- xx) The Borrower agrees and undertakes that it shall not start implementation of the Project without obtaining IREDA's approval to designs/drawings/specifications of the Project proposed to be put up. The Borrower agrees and undertakes that it shall furnish quarterly progress report(s) and provide other information on the progress of the work/project including photography of the Project.
- xxi) The Borrower agrees and confirms that concessions, if any will be available to the Borrower on the condition that the Borrower pays the installments of loan and interest on or before due dates and the Borrower shall abide by the decision of IREDA.
- xxii) The Borrower shall agree and undertake to IREDA that the Borrower shall not ask for release of last 10% of the loan amount for the project until the project has been commissioned and/or Commissioning Certificate issued by the State Electricity Board or any other prescribed Authority has been furnished to the satisfaction of IREDA and that the Borrower shall abide by the decision of IREDA and shall not raise any objection thereto.
- xxiii) The Borrower shall agree, note and confirm that If any subsidy is sanctioned by Government/Government Agency and which subsidy is routed/monitored by IREDA, IREDA shall pass on interest subsidy to the Borrower by way of adjustment only after the dues of IREDA for relevant quarter has been paid in full by the Borrower and that the Borrower shall abide by the decision of IREDA.

- xxiv) The Borrower declares that the Borrower does not belong to any Group in the country going by the principle of commonality of Management and Effective Control by other Companies. Supported by Auditor's certificate.
- xxv) The Borrower notes and confirms that IREDA shall have the right to review/revoke the sanction of loan to the Borrower and in case loan has already been disbursed to withhold disbursement of balance loan and to recall the loan already advanced in the event of subsequent developments coming to the notice of IREDA, which may materially affect the health of the Borrower and if Borrower comes to the conclusion that the Borrower shall not be able to implement the Project and the Borrower shall abide by the decision of IREDA.
- xxvi) The Borrower shall agree and confirm that in case the Borrower commits default in repayment of the loan/advances or in repayment/payment of installment of interest or any other agreed installment of the loan on due date/s, IREDA shall have an unqualified right to disclose or publish the Borrower's name and names of its directors as defaulters in such manner and through such medium as IREDA in its absolute discretion may think fit and that the Borrower shall not raise any objection thereto.
- xxvii) The Borrower shall agree and undertake to IREDA that if any loan and/or subsidy and/or grant and/or incentive and/or benefit is/are sanctioned/granted to the Borrower under Clean Development Mechanism/Programme and/or Carbon Credit Programme, by any Bank/Institution and/or State Govt. and/or Central Govt. and/or Govt. Agency and/or by Foreign Country and/or by a International Agency and/or by any International Institution, the Borrower shall obtain No Objection/Clearance in writing from IREDA before availing of loan and/or Subsidy and/or Grant and/or incentive/benefits under the above programmes and the Borrower shall abide by the decision of IREDA.
- xxviii) The Borrower shall agree and undertake that it shall not take any additional loan and/or take-up new Project and/or expansion of existing Project involving heavy Capital Expenditure without the prior approval of IREDA in writing.

- xxix) The Borrower shall agree and undertake to IREDA that if any loan and/or subsidy and/or grant and/or incentive and/or benefit is/are sanctioned/granted to the Borrower under Clean Development Mechanism/Programme and/or Carbon Credit Programme by any Bank/Institution and/or State Govt. and/or Central Govt. and/or Govt. Agency and/or by Foreign Country and/or by a International Agency and/or by any International Institution and which loan and/or Subsidy and/or Grant and/or Incentive and/or benefit is/are not provided in the means of Finance as approved by IREDA, the same shall be utilised towards reduction of loan of IREDA and that the Borrower shall abide by the decision of IREDA and that the Borrower shall not raise any objection thereto.
- xxx) The Borrower shall agree and undertake that the Borrower shall furnish to IREDA list of all the directors on its Board alongwith list of the companies in which they are interested as directors and that the said list shall be furnished to IREDA on or before signing of the Loan Agreement and at every time when new director is taken on its Board till such time as loan of IREDA is paid in full.
- xxxi) The Borrower notes that IREDA has sanctioned loan of Rs.3384.00 lakhs to the Borrower for setting-up of 40.00 MW Captive Power Plant utilising Waste Heat Recovery Boiler and Fluidised Bed Combustion (FBC) Boiler at Village Banskopa, Tehsil Durgapur, District Burdwan in the State of West Bengal – Under Energy Conservation/Efficiency Category – Project Financing Scheme. In this connection, the Borrower shall agree and undertake that in case, circumstances so warrant or the Borrower commits default in the payment of dues of IREDA and in case it is decided by IREDA at its sole discretion and which decision shall be binding on the Borrower, IREDA shall reserve/have the right by inserting a suitable clause in the Loan Agreement to ask the Borrower to hive – off the present project being financed by IREDA from other projects of the Borrower by transferring the present project so hived –off to a new Company to be incorporated for the said purpose and the Borrower shall complete the formalities to give effect to this condition within time bound programme as may be intimated by IREDA to the Borrower.
- xxxii) The Borrower shall further agree, undertake and confirm that the Borrower shall not induct any director on its Board and which director is also a director in other company(ies) and which company(ies) have been declared/identified as Willful Defaulters within the guidelines as issued by RBI. The Borrower shall further agree and undertake that in case it is observed by the Borrower, subsequently, at any stage during the currency of IREDA's loan that its director/s are director/s of companies which have been declared/identified as Willful Defaulters, the Borrower shall take expeditious/effective steps to drop/remove such a director from its Board by requesting the concerned director to resign as director and the Borrower shall keep IREDA informed of the same from time to time.

- xxxiii) The Borrower shall agree, note and undertake that while procurements of Equipments, Plant and Machinery from Machinery Suppliers and award of civil works to Civil Contractors shall be one to one transaction(s) between the Borrower and Machinery Suppliers and Civil Contractors and that IREDA shall in no way to be responsible/liable for the contractual obligations between the Borrower and Suppliers/Contractors, however, the Borrower shall obtain prior approval in writing of IREDA if the procurement of equipments, plant and machinery is made from the Machinery Suppliers and Civil Contracts are awarded to Firms and Companies which are Group Companies of the Borrower and in which Firms and Companies the directors of the Borrower are associated/ interested in one way or the other before signing of Machinery Supplies Agreement/Award of Civil Contracts. This is to be ensured besides compliance of provisions of Companies Act, 1956 and other applicable laws before entering into Agreements/Contracts with Firms, Group Companies including Firms and companies where the directors of the Borrower are associated/are interested. In cases where the equipments, plant and machinery are procured from Machinery Suppliers and/or civil contracts are awarded to contractors which do not belong to the Firm and Group Companies of the Borrower and directors of the Borrower are not connected in any way with such Firm/ Group companies, in those cases, the Borrower shall give suitable Declaration to that effect on or before signing of Loan Agreement with IREDA and that the Borrower shall abide by the decision of IREDA.
- xxxiv) The Borrower shall agree and undertake that it shall forward to IREDA Post Commissioning Monitoring quarterly progress report and other information in the prescribed form of IREDA at the end of each quarter and these quarterly reports shall continue to be submitted to IREDA by the Borrower until the entire loan of IREDA has been repaid in full.

xxxv) The Borrower shall agree and give an undertaking to IREDA that :

- (1) the Borrower shall furnish certificate from the Chartered Company Secretary in whole time practice where its paid up capital is between Rs 10.00 lakhs to Rs 2.00 crores otherwise from the Company Secretary in the employment of the Borrower that the Borrower has complied with the provisions of the Companies Act as amended from time to time and have not committed any breach thereof [Section 383A].
- (2) the Borrower shall appoint Audit Committee of the Board in compliance of the provisions of Section 292A of the Companies Act where its paid up capital exceeds Rs 5.00 Crores and above and shall submit a certificate from the Company Secretary in the employment of the Company that provisions of Section 292A have duly complied with in all respects.
- (3) the Borrower both Private Limited Company or Public Limited Company as the case may be, and as applicable, shall increase their paid up capital in compliance of Section 3 of the Companies Act.
- (4) the Borrower shall furnish a certificate from its Statutory Auditors that the Borrower has complied with the provisions of Section 293 (1) (d) of the Companies Act and that the Borrower's existing borrowings together with the proposed borrowings if any, are within the limits as approved by Shareholders or that provisions of Section 293 (1)(d) of the Companies Act are not applicable to the Borrower.
- (5) the Borrower shall furnish Certificate from the Chartered Company Secretary in whole time / Company Secretary in the employment of the Company as the case may be that provisions of Section 58AA and 58AAA are being duly complied with and if the borrower is in default in honouring the Fixed Deposits made by the Depositors, the Borrower has taken steps to inform Company Law Board and is complying with the directions as issued by Company Law Board in this behalf and that Certificate shall be furnished twice during financial year.
- (6) the Borrower shall include in its "Directors' Report" Directors' Responsibility Statement to provide for the following in compliance of Section of 217 of the Companies Act :
  - ♦ the Borrower has followed, in the preparation of annual accounts, the applicable accounting standards and given proper explanation relating to material departures, if any ;
  - ♦ the Borrower has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Borrower Company at the end of the financial year and / or the profit or loss of the company for that period ;

- ♦ the Borrower has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities ;
  - ♦ the Borrower has prepared the annual accounts on a going concern basis and separately, the Borrower shall send Directors' Responsibility Statement duly signed by Chartered Company Secretary / Company Secretary in the employment of the Borrower in compliance of provisions of Sub Section 2AA of Section 217 twice during financial year.
- (7) The Borrower shall furnish certificate from the Chartered Company Secretary / Company Secretary in the employment of the Borrower that no Director of the Company has been disqualified under the provisions of Section 274 on non-compliance of the requirements of Companies Act.
- (8) The Borrower shall forward to IREDA two copies of Annual Reports along with Directors Report as finalised in conformity with the provisions of Companies Act as amended immediately after seven days from the date of adoption of Annual Accounts by the shareholders.
- (9) The Borrower shall submit separately after expiry of each half year a Certificate from Chartered Company Secretary / Company Secretary in the employment of the Borrower, that the Borrower has complied with the provisions of Companies Act as amended and has not committed any breach thereof and in case any default / breach has been committed by the Borrower the Borrower shall keep IREDA informed about the remedial steps taken by the Borrower to remedy the breach / regularising the matter within time bound programme.
- E) **CONDITIONS APPLICABLE TO LOAN IF DISBURSED OUT OF WORLD BANK IInd LINE OF CREDIT AT THE SOLE DISCRETION OF IREDA:**
- (1) The Borrower shall agree and undertake that the loan sanctioned for the project is out of the funds to be received by IREDA from the World Bank IInd Line of Credit. Any deviations noticed subsequently in following the procurement procedures (Annexures), Environmental and Social Impact Conditionalities for the same as stipulated by the World Bank from time to time for such a Line of Credit resulting into non-release of funds by the World Bank to IREDA or funds are not released to IREDA by World Bank for any reason whatsoever, IREDA shall be entitled to recall the loan amount already disbursed to the Borrower and the said loan amount together with interest thereon shall become due and payable forthwith. The balance undisbursed loan will also not be disbursed to the Borrower in the above events and the Borrower shall abide by the decision of IREDA.

- (2) The Borrower shall follow the procurement procedures of World Bank IInd Line of Credit/IREDA Guidelines and shall not commit any default/breach thereof.
- (3) The Borrower shall furnish proof that IREDA and World Bank logos are affixed on all the project/systems to indicate that project/systems are financed by IREDA out of World Bank IInd Line of Credit, so long as IREDA's loan subsists and intervals shall satisfy IREDA about its compliance by producing photographs of the systems with plates affixed thereon at regular intervals.

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