



भारतीय अक्षय ऊर्जा विकास संस्था सीमित

(भारत सरकार का प्रतिष्ठान)

Indian Renewable Energy Development Agency Limited

(A Government of India Enterprise)

Speed Post

No.221/1962/WE/2001-IREDA/

Dated 19th February, 2001

M/s. Kalani Industries Limited,
11, Tukoganj Main Road,
INDORE - 452 001
MADHYA PRADESH

Dear Sirs,

Sub:	Loan Assistance of Rs.1015.50 Lakhs for setting-up of 2.76 MW (12 Nos. of 230 KW WEG each) Wind Farm Project - to be set up at Barabag Village, Jaisalmer District, in the State of Rajasthan - Under Project Financing Scheme - (Project No.1403).
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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 2.76 MW (12 Nos. of 230 KW WEG each) Wind Farm Project - to be set up at Barabag Village, Jaisalmer District, in the State of Rajasthan - Under 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 of **Rs.1015.50 Lakhs** (Rupees Ten Crores Fifteen Lakhs and Fifty Thousands Only) comprising of Rs.945.00 Lakhs towards Project and Rs.70.50 Lakhs towards Margin Money for obtaining Bank Guarantee.

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.

पंजाब एव मुख्य कार्यालय : प्लॉट 4-ए, ईस्ट कोर्ट, पहला तल, भारत पर्यावास केन्द्र कॉम्प्लेक्स, लोदी रोड, नई दिल्ली - 110003 दूरभाष : 4601344, 4642367

फ़ोन : आल्टरनेट-एनडी-3, फ़ैक्स : 011-4602855, ई-मेल : mdireda@hotmail.com

Head Office : Core 4-A, East Court, 1st Floor, India Habitat Centre Complex, Lodhi Road, New Delhi - 110003, Phone : 4601344, 4642367

Branch : ALTERNATE-ND-3, Fax : 011-4602855, E-mail : mdireda@hotmail.com

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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 Agreement 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 proforma 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 drawals of loan indicating probable dates and amounts of drawals.
6. Please note that IREDA reserves the right to review/revoke the sanctioned loan and in case the loan has already been disbursed to withheld disbursement of the loan and 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 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 facilities 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 certificates/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 submits the documents; this will expedite the matters.

9. Meanwhile kindly acknowledge receipt of this letter.

Thanking you,

Yours faithfully,
for **Indian Renewable Energy
Development Agency Ltd.**


(K.S. Sridharan)
General Manager(PTS)

Encl : Appendices I,II,III,IV.

Copy forwarded for information and necessary action to:

- I) Director (Finance)
- II) Director (Technical)
- III) GM(DCCS)
- IV) SES to MD
- V) Manager(Law)

Main Terms and Conditions forming part of the Loan Sanction Letter dated 19th February, 2001 issued to M/s. Kalani Industries Limited

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

Rs.1015.50 Lakhs (Rupees Ten Crores Fifteen Lakhs and Fifty Thousands Only) comprising of Rs.945.00 Lakhs towards Project and Rs.70.50 Lakhs towards Margin Money for obtaining Bank Guarantee.

2. **Front-End fee :**

The Borrower shall pay one time lump-sum Front-End Fee @ 1.00% of the loan amount sanctioned before or on the date of execution of Loan Agreement. The Front-End Fee once paid is not refundable.

3. **Interest :**

The Company shall pay to IREDA interest on the principal amount of loan @ 13.50% p.a. exclusive of Interest Tax i.e plus interest tax at applicable rate.

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

Rebate(s) :

(i) The Borrower will be allowed a rebate in interest rate @ 0.50% on the condition that the Borrower pays the dues of IREDA both in respect of instalments of principal and interest on or before due dates.

(ii) The Borrower will also be allowed further rebate in interest rate for delivering of power as per scales given below:

≥ 16 lakhs: rebate of 0.50% p.a.

≥ 20 lakhs: rebate of 0.60% p.a.

≥ 24 lakhs: rebate of 0.75% p.a.

to the grid to be computed on annual basis (financial year) based on the certificate of the utility. It is clarified that this rebate will be allowed to the Borrower after the expiry of one financial year from the preceding year after the delivery of power has been computed on the above basis, based on the Certificate of utility to the satisfaction of IREDA and the decision of IREDA shall be final and binding on the Borrower. This rebate will be allowed on the condition that the Borrower pays the instalments of loan interest and other dues on or before due dates.

- (iii) The Borrower will be further allowed a rebate in interest 1% for setting up the Project in notified Desert Area on production of documentary evidence to the satisfaction of IREDA. This rebate will be allowed on the condition that the Borrower pays the instalments of loan interest and other dues on or before due dates.
- (iv) The Borrower will be allowed further rebate of 0.50% in interest rate in case loan is disbursed out of International Resources Viz., KFW/II nd World Bank Line of Credit available with IREDA at the sole discretion of IREDA on the condition the Borrower complies with the conditions for availing loan out of International Line(s) of Credit and follow their procurement procedure and also on the condition that pays the instalments of loan and interest and other dues on or before due dates.

4. **Additional Interest on Interim Loan(s)/Interim Disbursement(s):**
Additional interest at the following rates will be charged till creation of mortgage security of immovables.

Period :

a)	Upto 9 months from the date of disbursement of first instalment of interim loan.	1.50%
b)	Above 9 months and upto 12 months from the date of disbursement of first instalment of interim of loan.	2.00%
c)	Above 12 months and upto 18 months from the date of disbursement of first instalment 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 hereinbefore provided.

6. **Liquidated damages :**

In case of default i) in payment of instalment of principal, interest and all other monies (except liquidated damages) on their respective due dates, ii) in submission of quarterly progress report of the previous quarter alongwith draft towards payment of dues for the current quarter; the Borrower shall pay on the defaulted amounts, liquidated damages at the rate of 6.50% per annum for the period of default on the amounts due in respect of this loan as also in respect of previous loans and future loans during a particular quarter shall be payable so long as any default in compliance of the above undertakings/ conditions subsist and/or is not removed to the satisfaction of IREDA. 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.

The above two conditions shall apply to group companies within the same management as defined in the Companies Act and to the existing loans sanctioned/to be sanctioned to the Borrower. The Borrower shall obtain similar undertakings from the Group Companies to the said effect.

7. **Period of repayment of the loan :**

There will be a moratorium of maximum of one year from the date of execution of Loan Agreement and thereafter loan will be repaid as under:

- Rs.304.50 lakhs from 2nd to 5th year in sixteen equal quarterly instalments.
- Rs.711.00 lakhs from 6th to 10th year in twenty quarterly instalments.

Total : Rs.1444.00=00 Lakhs

The repayment of instalments of principal and payment of instalments of interest will, however, become due and payable on 31st March, 30th June, 30th September and 31st December, each year.

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 right to make withdrawal of the first instalment of loan and last instalment of loan shall cease on 16.02.2002 and on 16.02.2003 respectively and that the Borrower shall be abide by the decision of IREDA in this behalf.

9. **Project:** Setting-up setting-up of 2.76 MW (12 Nos. of 230 KW WEG each) Wind Farm Project - to be set up at Barabag Village, Jaisalmer District, in the State of Rajasthan - Under Project Financing Scheme.

A) **Details of Project Cost:**

Sl. No.	Description	COST (Rs. in Lakhs)
01	Land and Site Development	0.00
02	Buildings and Civil Works	30.00
03	Plant & Machinery	1140.00
04	Miscellaneous Fixed Assets and Electricals	165.00
05	Preliminary & Pre-operative Expenses	15.00
06	Provision for Contingencies	0.00
07	Margin Money for Working Capital	0.00
	TOTAL	1350.00
	Cost per MW	489.00
08	Add: Margin Money for Bank Guarantee	94.00
	GRAND TOTAL	1444.00
	Cost per MW	523.00

B) Means of Finance:

Sl. No.	Source	Amount (Rs. in lakhs)
1	Promoters Contribution: (Rs. in lakhs)	
	<u>Internal Accruals:</u>	
	Towards Project 405.00 Towards BG 23.50	428.50
2	Term Loan from IREDA: (Rs. in lakhs)	
	Towards Project 945.00 Towards BG 70.50	1015.50
	Total:	1444.00

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) Exclusive First Charge by way of *Equitable Mortgage (mortgage by deposit of title deeds)* in favour of IREDA in such form as IREDA may require on all the immovable properties of the Borrower both existing and future pertaining to proposed 2.76 MW (12 Nos. of 230 KW WEG each) Wind Farm Project - to be set up at Barabag Village, Jaisalmer District, in the State of Rajasthan - Under Project Financing Scheme and including and pertaining to existing Projects sanctioned and financed by IREDA.
- (2) Exclusive First Charge by way of *Hypothecation* in favour of IREDA of all the Borrower's movable assets/properties both existing and future pertaining to 2.76 MW (12 Nos. of 230 KW WEG each) Wind Farm Project - to be set up at Barabag Village, Jaisalmer District, in the State of Rajasthan - Under Project Financing Scheme and including and pertaining to existing Projects sanctioned and financed by IREDA.

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

Shri Manish Kalani

Promoters/Directors of the Borrower

(B) **Corporate Guarantee of :**

- (i) M/s. Seven Star Properties Private Limited
- (ii) M/s. Skyline Roofing Private Limited
- (iii) M/s. Pusti Trading Private Limited
- (iv) M/s. Jacquart Properties Private Limited
- (v) M/s. Vidhya Cement 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 name and residential address of the Guarantor(s) giving guarantee. If any of the Guarantor(s) is/are a Non Resident Indian(s), approval of Reserve Bank of India will be required.
- The Borrower shall ensure that the stake of the Guarantor is not less than 50% of the paid-up 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 their Shareholders Resolutions passed u/s 372A of the Companies Act, 1956 along with their Auditor's Certificates that and 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/Borrower is competent to issue the guarantee in terms of Memorandum of Association of Guarantor Companies and (ii) provisions of Section 295/372A of the Companies Act have been duly complied with by the Guarantor Company/Borrower. The Board of Guarantor Company may be requested to pass resolutions as per draft enclosed.

- (4) Deposit of Post dated cheques towards payment of instalments of principal loan amount in accordance with agreed repayment schedule and instalments of interest payable thereon;
- (5) Irrevocable Bank Guarantee from Scheduled Bank for an amount equivalent to 10% of IREDA's loan amount i.e., **Rs.94.50 lakhs** for the Project and that the Bank Guarantee shall remain in force until the entire Loan has been repaid in full. Bank Guarantee can initially be valid for a period of three years with a provision that on the expiry of initial period of three years, the guarantee unless invoked, will stand automatically renewed for a period of three years. In that event, margin money upto 100% involved in arranging the Bank Guarantee will be included in the Project Cost and shared with the applicant. The margin money will be released directly in favour of Bank after the applicant has deposited their share with the Bank. (In the event of requirement of less margin money, IREDA's loan amount will be reduced)
- (6) First charge on LC/Escrow Account/Special Bank Account to be opened for receipt of SEB/third party payments to the satisfaction of IREDA. (necessary approvals from Government shall be obtained)
- (7) 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) he/they shall not pledge/dispose off their shareholdings 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 /Pre-execution of Loan Document(s) 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 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. Application for obtaining electrical connection has been tendered to the Electric Utility for the project and necessary security deposit has been paid for the said purposes.
5. The Borrower shall submit No lien Account opening letter from a Scheduled Bank foregoing their right of set off on the said account as per draft enclosed.
6. To send Resolution passed by the Board of Directors at a regularly convened Meeting, approving this Loan Sanction Letter, authorising borrowing of loan and authorising execution of loan documents therefor in the prescribed format of IREDA.
7. 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.
8. To submit Certificate from the Advocates of the Company that the Company has acquired land for the Project by proper document and in case the lands have been allotted by the State Government to ensure that document of title is executed in conformity with Article 299 of Constitution of India.
9. The Borrower shall pay one time lump-sum Front-End Fee @ 1.00% of the loan amount sanctioned before or on the date of execution of Loan Agreement. The Front-End Fee once paid is not refundable.

C) Special conditions as applicable to the Borrower :

1. The Borrower shall give undertaking to IREDA that land if procured/acquired under lease, the Lease Deed shall have clauses with in-built provisions to protect the interests of IREDA as mortgagee Viz., (I) permits creation of mortgage security without the prior approval of Lessors (II) the Lease shall not be terminated for any reason whatsoever (for private lease only) and (III) Lessor shall give notice of 180 days to IREDA before exercising right of resumption of land for any reason whatsoever, satisfactory to IREDA and if the lands are being taken on lease from the State Government of Maharashtra to ensure that the Lease Deed is executed in favour of the Company in conformity with Article 299 of the Constitution of India.

2. The Borrower shall give undertakings to IREDA that
 - (a) It has not availed any finance from any source for the project.
 - (b) Machines are new and these are/shall not be transferred to any third party without prior consent of IREDA in writing and the Borrower shall abide by the decision of IREDA.
 - (c) Machine Manufacturer have not used any damaged components (out of Gujarat cyclone affected machines)
 - (d) The Borrower shall give an undertaking to IREDA and shall satisfy IREDA that the Manufacturers of Wind Turbines viz., M/s.Enercon India Limited shall provide self-certification about the quality and performance of their equipments and they will be penalised if their machines are found not to perform as per the performance certified by them. This clause has been stipulated by the Government of India, in the Ministry of Non-conventional Energy Sources (MNES) as per the new guidelines. Certificate and its compliance are to be ensured/are to be obtained from the Machine Manufacturers by the Borrower. Further, the Borrower have to take care of this clause as per its Contract/Agreements with Machinery Suppliers (M/s.Enercon India Limited). The Borrower shall certify that they have complied/ensured the guidelines of MNES to the satisfaction of IREDA.

3. The Borrower shall agree that in case, IREDA finds out at a later date that the project has got any International Assistance/Grant the loan component shall be reduced by the amount of Assistance/Grant, and the Borrower shall abide by the decision of IREDA in this behalf.
4. The Borrower shall agree and undertake that it shall use the power generated for selling to MSEB, on terms acceptable to IREDA and for the said purpose, the PPA to be entered into by the Borrower with MSEB/Third Party shall be got approved by IREDA in writing and that the Borrower shall abide by the decision of IREDA.
5. In case of sale of power to RSEB, the Borrower shall enter into Power Purchase Agreement with RSEB to the satisfaction of IREDA and shall submit copy of the PPA to IREDA. The Borrower shall further agree and undertake that the Borrower shall open Special Account/Escrow Account for receipt of sale proceeds of Power from BSEB and IREDA will have First Charge on the said Special Account/Escrow Account. The Borrower shall agree and undertake that the Borrower shall obtain the confirmation from RSEB, that RSEB shall release amounts towards sale proceeds of power directly to IREDA in the event of default by the Borrower in payment of dues of IREDA and that the Borrower shall abide by the decision of IREDA.
6. The Borrower shall agree and shall give an undertaking to IREDA that in case it decides to sell the power to third parties, the Borrower shall obtain prior approval of IREDA in writing before doing so. The Borrower shall further give an undertaking to IREDA that the Power Purchase Agreement(PPA) shall be entered into with private parties after obtaining the prior approval of IREDA to PPA. The Borrower shall further agree and undertake that it shall open Special Account/Escrow Account for receipt of sale proceeds of power in the said Special/Escrow Account on which Accounts IREDA will have first charge and that the Borrower shall obtain letter from third parties duly countersigned by the Borrower and the Bank that on receipt of instructions from IREDA, the Bank shall stop making further payments to the Borrower out of the Special Account/Escrow Account and instead shall the payment to IREDA towards payment of its dues unless revised instructions are issued by IREDA.

OR

In case **RSEB** has no arrangement to open Special Account for crediting proceeds of the sale of power, the Borrower shall give undertaking that it shall:

- i) Open a special account to be named as IREDA Special Account and shall also obtain a letter from **RSEB** that all cheques/drafts will be made in the name of the said Special Account and;
- ii) Shall obtain a letter from the Bank that the Bank has noted the first charge of IREDA/Lien of IREDA on the said account and on receipt of instructions from IREDA the Bank shall stop further payments to the Borrower but instead make payments to IREDA till such time as defaults are cleared and revised instructions are issued by IREDA to the Bank.

The Borrower shall further give undertaking to IREDA that if any deviation is noticed (i.e., receipt of payment in different account) IREDA shall be entitled to recall the loan at its sole discretion.

7. The Borrower shall agree and note that in case the KFW/World Bank agrees for financing under the KFW/WB Line of Credit and also the Borrower follows the World Bank Procurement Procedures, Environmental and Social Impact Conditionalities for the same, eligible portion of IREDA loan amount may be converted/ allocated out of KFW/World Bank funds at the discretion of IREDA and that the Borrower shall abide by the decision of IREDA.

8. The Borrower shall agree and undertake that in case any change is made in technical design, the Borrower shall obtain prior approval of IREDA in writing.
 9. The Borrower shall agree and note that in case the Borrower receives any soft loan/grant from Government of Rajasthan or from any other source the same will be returned to IREDA to reduce the loan component. An undertaking to be given to that effect by the Borrower.
 10. The Borrower as well as Machinery Suppliers shall satisfy IREDA by giving undertakings to IREDA that the loan will be utilised for installation of first-hand machines and which machines are duly approved by MNES only and not for second hand machines.
 11. The Borrower shall agree and shall give undertaking to IREDA that the Borrower shall use the power generated for sale to MSLEB/Third Party only and not for any other purpose to the satisfaction of IREDA.
 12. The Borrower shall agree and shall give an undertaking to IREDA that the Borrower shall take IREDA's prior permission in writing before taking any other loan for any new Project and/or for substantial expansion of its existing Project(s).
 13. The Borrower shall enter into an Annual Maintenance Contract with M/s.Suzlon Energy Limited after commissioning of the project to the satisfaction of IREDA, if required.
- D) Other 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/wit: 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 agrees and undertakes that the promoters of the Borrower and/or the Borrower shall bring in an amount of **Rs.428.50 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. 1444.00 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 a detailed schedule of implementation of the project to IREDA to the satisfaction of IREDA.
- vi) The Borrower shall furnish copy of plan/ map for the land/project site, to IREDA.
- vii) The Borrower agrees and undertakes to affix plate on the Systems, Machinery and Equipments, mortgaged/charged and hypothecated/ to be charged and hypothecated to IREDA, the said Systems, Equipments and Machinery are mortgaged/ charged/ hypothecated to IREDA and the Project has been financed by IREDA out of KFW/World Bank Line of Credit as the case may be 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) The Borrower shall at its own cost keep the mortgaged / charged property in good condition and shall keep the same insured in the joint names of the Borrower and IREDA with usual bank clause covering all risks as per industry's norms as mentioned in the Loan Agreement and shall deposit original insurance policies with IREDA. The Borrower undertakes to get the insurance policies renewed every year well before the expiry of Insurance policies.
- x) The Borrower shall obtain the project clearance for the Project from State Electricity Board and/or State Government, if required.
- xi) 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.
- xii) 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.
- xiii) 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.
- xiv) 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.
- xv) The Borrower agrees and undertakes to furnish two copies of its Annual Reports every year to IREDA during the currency of IREDA's loan.

- xvi) **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.**
- xvii) **The Borrower agrees and undertakes 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.**
- xviii) **The Borrower shall ensure as far as feasible at least 25 trees are planted at project site and in the neighbourhood.**
- xix) **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.**
- xx) **The Borrower agrees and confirms that all interest concessions/rebates will be available to the Borrower on the condition that the Borrower pays the instalments of loan and interest on or before due dates and the Borrower shall abide by the decision of IREDA.**

- xxi) **The Borrower agrees and undertakes 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.**
- xxii) **The Borrower agrees and confirms that if any subsidy is sanctioned by Government/Government Agency and which subsidy is routed/monitored by IREDA, the Borrower shall be entitled to the said Subsidy only on the condition that the Borrower pays the instalments of loan and interest and other dues on or before due dates.**
- xxiii) **The Borrower agrees and undertakes to IREDA that if any Subsidy and/or Grant and/or loan is sanctioned to the Borrower by any Bank/Institution/Government and/or Government Agency over and above the amounts mentioned in the Means of Finance, the same shall be utilised towards reduction of loan of IREDA 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.**
- 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 agrees and confirms that margin money for obtaining Bank Guarantee/FDRs upto 100% is included in the Project Cost and is to be shared between the Borrower and IREDA and the Borrower shall ask for disbursement of Loan towards deposit with Bank for obtaining Bank Guarantee/FDR which will be released directly in favour of the Bank after it has deposited its share with the Bank and the Bank has agreed to this arrangement. The Borrower agrees and confirms that if the Bank gives higher rate of interest on Margin Money than the rate of interest @13.50% p.a. as stipulated on the loan then the Borrower shall pay interest to IREDA on portion of loan on such margin money at such higher rate and the Borrower shall abide by the decision of IREDA. The Borrower further agrees and confirms that if the requirement of margin money is reduced, the Project Cost and IREDA Loan amount shall stand reduced and the Borrower shall abide by the decision of IREDA.

E) CONDITIONS APPLICABLE TO LOANS DISBURSED OUT OF KFW/IIND WORLD BANK LINE OF CREDIT :

- I) The Borrower agrees and undertakes that the loan sanctioned for the project might be sanctioned out of the funds to be received by IREDA from the WB/KfW Line of Credit. Any deviations noticed subsequently in following the procurement procedure stipulated by the WB/KfW (Annexure) from time to time for such a Line of Credit resulting into non-release of funds by the WB/KfW to IREDA or funds are not released to IREDA by WB/KfW 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.
- II) The Borrower shall follow the procurement procedures of WB/KfW Line of Credit/IREDA Guidelines and shall not commit any default/breach thereof.
- III) The Borrower shall furnish proof that IREDA and WB/KfW logos are affixed on all the project/systems to indicate that project/systems are financed by IREDA out of WB/KfW Line of Credit, so long as IREDA's loan subsists and shall satisfy IREDA about its compliance by producing photographs of the systems with plates affixed thereon at regular intervals.

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