



पावर फाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)
(आई.एस.ओ. 9001:2015 प्रमाणित) (ISO 9001:2015 Certified)

LOAN NO: 37203023

03/SR/Telangana/TSTRANSCO/37203023/Vol.1 / 063952

26.06.2019

Sri D.Prabhakar Rao
Chairman & Managing Director
Transmission Corporation of Telangana Limited
Vidyut Soudha, Khairatabad,
Hyderabad-500082

Sub: Transmission Corporation of Telangana Limited (TSTRANSCO)- Financial Assistance to Transmission Corporation of Telangana Limited (TSTRANSCO) for KTPP System Improvement scheme in Telangana.

Ref: TSTRANSCO Letter No. JMD/FA&CCA(A/cs)&CFO/SAO(B&RandL)/D.No.214/19 dated 22nd February 2019

Sir,

With reference to your letter referred above regarding financial assistance for **KTPP System Improvement scheme in Telangana**, involving total estimated cost of ₹ 487.82 Crore (including IDC of ₹ 64.51 Crore), we are pleased to advise that we are generally agreeable to advance a loan of ₹ **405 Crore (Rupees Four Hundred and Five Crore Only)** for this project - Loan no. **37203023**. The loan shall be subject to the terms and conditions given in the attachment to this letter and also the terms and conditions as are laid down in the Memorandum of Agreement (MOA) to be executed between PFC and TSTRANSCO.

We request you to communicate your acceptance within one month from the date of this letter to avail the above loan on the said terms and conditions.

The following documents (in the prescribed formats) shall be required at the time of execution/disbursement of loan as per PFC's applicable policy:

A Documents required at the time of execution/signing of loan documents (to be submitted to L&D unit of PFC):

- 1 Extract of Board Resolution, duly attested by the Secretary/Company Secretary, accepting the loan on the terms and conditions of PFC and authorizing an officer to accept and agree to said terms and conditions and execute the relevant loan documents / undertakings etc.
- 2 Resolution under section 180 (1) (a) and 180 (1) (C) of the Companies Act, 2013, duly attested by Company Secretary (applicable to entities registered under Indian Companies Act).
- 3 Specimen signatures of authorized signatory duly attested by Secretary/Company Secretary.
- 4 Certificate of compliance of laws, bye-laws, etc. applicable to the borrower- to be issued by the Company Secretary/ Secretary of the borrower, as the case may be.
- 5 Certificate from the Company Secretary / Statutory Auditors of the Borrower that the borrowing is within the borrowing limits with details thereof.
- 6 Certificate in prescribed format that the borrower shall continue to be the owner and in physical possession of the project till the outstanding loan amount is fully liquidated.
- 7 Option letter whereby borrower opts for the reset period - 3, 5 or 10 years.
- 8 Quarter-wise drawal schedule.

25/6/2019

पंजीकृत कार्यालय : "ऊर्जा निधि", 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फैक्स : 011-23412545

Regd. Office : "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001 Phones : 23456000 Fax : 011-23412545

वैबसाईट / Website : www.pfcindia.com ● CIN : L65910DL1986GOI024862

B Documents required at the time of disbursement of loan:

- 1 Tripartite Escrow Agreement in the prescribed format.
- 2 Either State government guarantee in the prescribed format or in the case of charge on assets, Security documents in the prescribed format.
- 3 Materials and equipment schedule, in the prescribed format, for the project / scheme to be financed under the loan.

In addition to above, the borrower shall furnish all other documents as may be required in terms of loan.

Thanking you,

Yours faithfully,

for POWER FINANCE CORPORATION LTD.

2) 45-21121
26/06/2015

(Rajesh Kumar Shahi)

General Manager (Projects-Southern Region)

Enclosed: As above

Copy to:

- 1 FA & CCA (Accounts), TSTRANSCO
- 2 GM- RO (South), PFC, Chennai
- 3 ED (SEA), PFC
- 4 ED (Loan Documentation), PFC
- 5 GM (Loan Disbursement), PFC
- 6 AGM (Loan Recovery), PFC

TERMS AND CONDITIONS OF SANCTION OF RUPEE TERM LOAN NO. 37203023

1 AGREEMENT

- 1.1 The Borrower shall execute a Memorandum of Agreement (MOA) in the form prescribed by the Power Finance Corporation Ltd. (the Corporation) for the purpose which shall include all terms & conditions of the sanction letter. The Borrower shall submit all other documents as required within six months of the date of letter of sanction of loan.
- 1.2 The Memorandum of Agreement shall not be executed in case the borrower has been declared a defaulter by the Corporation.

2 VALIDITY PERIOD OF SANCTION

- 2.1 The sanction of loan shall be valid for a period of six months from the date of sanction letter, within which borrower to execute the complete documents (i.e. MOA along-with documents required before or at the time of execution of MOA). However, the Corporation may, in exceptional cases, agree to extend the aforesaid period of six months, for such further period as it may deem appropriate if the Borrower makes an application to the Corporation before expiry of initial six-month period, duly supported by the reasons for such extension.

3 RATE OF INTEREST

- 3.1 The Borrower shall pay interest on the said Loan at the rate of interest prevailing on the date of each disbursement as per the Corporation policy which shall be as notified by the Corporation[#] (presently it is 11.15%[#] per annum payable monthly basis for reset period of three years) along with tax, if any, at the rate applicable from time to time. The interest in favour of the Corporation shall begin to accrue from the date of payment/cheque issued by the Corporation. The instalment of interest and tax, if any, will be payable monthly on the 15th day of each month, after commencement of disbursement. The amount of interest and tax, if any, payable will be calculated at the above rate up to the date immediately preceding the due date of payment i.e. 14th day of the month on the amount disbursed/ outstanding up to the last day of the preceding month. Computation of interest shall be made on a daily basis using 365 days factor.

[#] Effective interest rate after rebate/incentive of 0.25% (presently applicable) for timely payment of dues. The Corporation shall recover interest from the Borrower considering the rates without rebate. The rebate, wherever applicable, shall be refunded to the Borrowers immediately in the cases where the total amount due on a due date has reached the Corporation by the due date.

- 3.2 Interest Reset: Notwithstanding anything herein above, the Corporation shall have a right to reset the rate of interest, at its discretion, from third /fifth/tenth year (as applicable) beginning with the date of first disbursement. Borrower shall furnish the option in regard to reset period at the time of execution of MOA. Interest rate applicable as per opted reset period shall apply.

Methodology for resetting i.e. determination of amount to be reset, reset date etc. shall be as applicable from time to time.

4 COMMITMENT CHARGES/ UPFRONT FEE

Not Applicable (as per present PFC policy)

5 REPAYMENT OF LOAN

5.1 The loan shall be repaid by the Borrower in 180 (one hundred and eighty) equal monthly instalments on 15th day of each month, commencing on the first repayment date falling 6 months after scheduled Date of Commencement of Commercial operations (DCCO).*

*Could be reviewed and changed at the time of execution of loan documents.

6 ALL PAYMENTS TO BE REALISABLE AT PAR IN NEW DELHI:

6.1 The Borrower shall so arrange that the amounts due and payable to the Corporation are realizable by the corporation at par on the due date of the relevant payments in New Delhi. The Corporation shall prefer and encourage the borrowers to make payments of the dues through e-payment system, in specified Bank Account(s) of the Corporation, as may be notified from time to time.

7 SHIFTING OF DUE DATE OF PAYMENT OF INSTALMENT:

7.1 In case the standard due date falls on a bank holiday (at the Corporation's bank at New Delhi), the due date shall be shifted to the immediately following bank working day and interest will be charged till such date.

8 APPROPRIATION OF AMOUNT PAID BY THE BORROWER:

8.1 The amount paid by the Borrower shall be appropriated in the order of occurrence of dues in the following order:

- a) Costs, charges, expenses, applicable taxes, statutory duties and other moneys;
- b) Interest on costs, charges, expenses, losses, applicable taxes, statutory duties and other moneys;
- c) Additional Interest;
- d) Commitment Charges;
- e) Interest/ tax if any;
- f) Repayment of principal in the order of the occurrence of the dues; and lastly;
- g) Prepayment of principal.

8.2 The borrower shall agree that if the money remains unpaid for more than one due date, the dues shall be appropriated due date wise in order of their occurrence i.e. dues pertaining to a due date which has occurred earlier in sequence would be appropriated first. Thereafter, the dues pertaining to the ensuing due date would be appropriated and the appropriation of dues shall continue in the same manner till all dues are appropriated. The dues for each due date shall be appropriated as per the appropriation clause 8.1 .

8.3 Appropriation of instalment of principal payment

Unless agreed otherwise, the repayment of loan instalment shall be appropriated on First In First out (FIFO) basis i.e. loan repayment instalment shall be appropriated against the outstanding disbursements (i.e., outstanding loan balance) in the same sequence in which loan was disbursed.

9 PRE-PAYMENT OF LOAN

- 9.1 Prepayment of a Loan by the borrower can be made only after obtaining the prior written consent of PFC. It would be PFC's sole discretion to grant or refuse to grant such consent. Further, PFC's consent for prepayment (which will include the consent for full or partial prepayment) shall be valid for a maximum period of 2 months from the date of receipt of approval from Competent Authority.
- 9.2 The borrower shall have the option to prepay the principal outstanding in a Rupee Term Loan (either in full or in part) together with all interest, other charges and monies due and payable to the PFC up to the date of such prepayment subject to Payment of a Prepayment premium on the loan amount proposed to be prepaid on any day and subject to a Notice period of 30 days. In case borrower wants to pre-pay with a shorter notice period, PFC shall charge interest for the entire 30 days of stipulated notice period.
- 9.3 In case of partial prepayment, the option to prepay the principal outstanding Loan in parts can be exercised by the borrower maximum upto 2 times during the entire loan period (including subsequent extension in the loan period, if any). For determining the above 2 time limit for partial prepayment, only those cases will be considered where the prepayment amount has been received within the validity period of PFC's consent.

10 DRAWL & UTILISATION OF LOAN AND COMPLETION OF PROJECT:

- 10.1 The Borrower shall ensure that the equipment/materials for which the loan is obtained from the Corporation are utilised for the implementation of the project.
- 10.2 The Borrower shall not raise borrowings from any other sources for meeting the cost of equipment/materials/works financed through this loan.
- 10.3 The Borrower shall take all necessary steps to ensure that the project is completed as envisaged in the manner and according to the time schedule envisaged, i.e. **36 months from the date of first disbursement by PFC (scheduled Date of Commencement of Commercial Operation, DCCO)** or such other date as may be agreed to by the Corporation. However, the DCCO shall be firmed up after the first disbursement.
- 10.4 The procurement by the borrower for various equipment/material/work/studies being fully/partially financed by the Corporation loan shall generally be done in accordance with the borrower's standard procurement procedure or as may be applicable by the International Financial Institution whose loan proceed may be intended to be availed under the loan.
- 10.5 The loan shall be disbursed according to the disbursement procedure of the Corporation, as modified/amended from time to time and/or as mutually agreed. The Borrower shall before the disbursement of the loan sanctioned, furnish to the Corporation a schedule in the prescribed form containing complete details of the equipment/materials ordered/supplied and/or civil/ erection work completed/ to be completed for which the payments are required to be made or to become due.
- 10.6 The Borrower shall have to submit its application for drawl of the loan duly supported by the certificates and documents as required by the Corporation.
- 10.7 For specific type of loans or sub-projects or loan arrangements tailor made disbursement/reimbursements procedures would be evolved in consultation with the Borrower and shall be followed on both sides.

- 10.8 If desired by the Borrower, the Corporation may make an advance payment as per the disbursement procedure of the Corporation on completion of necessary loan documents. The utilization certificate shall be submitted by the borrower normally within six months of the draw against advance.
- 10.9 The Corporation shall not be liable for any charge whatsoever for which the Borrower may become liable due to delayed payment in respect of the equipment/materials ordered/supplied or in respect of civil/erection works executed through the agency(ies) engaged.
- 10.10 The borrower shall draw the loan as per draw schedule and the closing date of loan shall be 6 months from the date of scheduled DCCO or such other date as may be agreed to by the Corporation. The DCCO shall be firmed up after the first disbursement.
- 10.11 Claims for expenditure incurred from 09th February 2019 will be admissible against this loan.

11 TRANSFER AGREEMENTS IN CASE OF STRUCTURING OF SEBs / STATE POWER UTILITIES: (applicable for loan(s) sanctioned to integrated SEBs/SPUs only and where all the transfer agreements are yet to be signed)

- 11.1 The successor state sector entities would execute the transfer agreements, within a period of 6 (six) months from the date of notification of such restructuring or transfer of assets and liabilities whichever is later otherwise, an additional interest of 25 bps p.a. shall be leviable on balance disbursements after expiry of six months from the date of notification of such restructuring or transfer of assets and liabilities whichever is later till execution of transfer agreements.

12 GUARANTEES & SECURITIES

12.1 CHARGE ON ASSETS:

The loan together with all interest (including additional interest), costs, expenses, applicable taxes, statutory duties and other money shall be secured with the prescribed coverage ratio (presently 1.1 times) applicable in case of (name of borrower) by a first charge by way of hypothecation in favour of the Corporation of all the Borrower's movable assets (save and except book debts), including movable machinery, mandatory spares, tools and accessories, fuel stock, spares and material at project site, present and future. The creation and perfection of security has to be done before first disbursement.

The Borrower shall make out good marketable title to its properties to the satisfaction of the Corporation and comply with all such formalities as may be necessary or required for the said purpose.

- I **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.
- II **Registration of charge:** The Borrower shall have the particulars of charge registered with the Registrar of companies (ROC) as per the Companies Act within stipulated time, and shall submit a certificate from the ROC certifying the registration of charge.

- 12.2 The borrower shall enhance/open an escrow account for the entire pendency of the loan with the prescribed coverage ratio (presently 1.1 times) applicable in case of TSTRANSCO to the satisfaction

of the Corporation. The creation and perfection of security has to be done before first disbursement.

13 ADDITIONAL INTEREST IN CASE OF DELAY IN PAYMENT/LIABILITY TOWARDS ADDITIONAL CHARGES/COSTS ETC:

13.1 In the event of the interest or the principal not being paid to the Corporation by the Borrower on the due date as indicated in the foregoing clauses, the Borrower shall pay to the Corporation additional rate of interest, as per policy which is currently 2 % over and above the rate of interest mentioned in para 3.1 ante at which the loan is disbursed/reset, which will be compounded on monthly basis.

13.2 The additional interest charged from borrowers shall be subject to the rebate of different rates, provided the repayment of dues is received in the following manner:

a) In case the payment is received within one month of the date on which the repayments become due, 50% of the additional interest due from the date of default till the date of receipt, shall be allowed as rebate;

b) In case the payment is received within two months of the date on which the repayments become due, 30% of the additional interest due from the date of default till the date of receipt shall be allowed as rebate;

c) In case the payment is received within three months of the date on which the repayments become due, 10% of the additional interest due from the date of default till the date of receipt, shall be allowed as rebate; and

d) No rebate shall be given in additional interest in case of default of over three months.

13.3 The Borrower shall pay on demand all costs, charges, expenses, applicable taxes, statutory duties and other money that may be incurred by the Corporation including but not restricted to documentation and creation of security, in connection with remittance/receipt of moneys to or to the order of or from the borrower, or in connection with protecting and/or enforcing the rights of the Corporation under the Memorandum of Agreement and/or Guarantee Deed and/or any other document for the loan in question. The decision of the Corporation with regard to the amount/loss incurred on these, shall be final and binding on the Borrower.

14 DEFAULTS:

14.1 In case it is found to the satisfaction of the Corporation, which shall be final and not questioned, that the amount already disbursed has not been properly and effectively utilised by the Borrower for the project/programme and/or the progress achieved in the implementation of the project/programme or compliance of any of the condition(s) of this loan is considered to be not satisfactory, the Corporation shall have absolute discretion at any time to suspend, reduce, cancel, recall, alter or delay disbursement of said loan and/or instalments in any manner and may decline to disburse any and/or all the remaining instalments without assigning any reason thereof, to the Borrower and without being liable for any losses or damages.

14.2 If the Borrower defaults in the payment of principal or interest or any other payment required under the loan agreement, the Corporation, at its option, may by notice to the Borrower and to

the guarantor, declare the principal of the loan then outstanding to be due and payable immediately together with the interest and other charges thereon, and on such declaration such principal, together with the interest and other charges thereon, shall become due and payable immediately.

- 14.3 In case of default in payment of dues such as principal, interest etc, as the case may be, for loan, the Corporation shall have the right to disclose the name/details of the borrower/loan etc. to CIBIL or RBI or any such authority.

15 SUPERVISION AND MONITORING:

15.1 The Corporation would monitor the progress of project/scheme financed by it. In this respect:

- a) The Borrower shall furnish to the Corporation such reports on its working, either in general or in specific relation to this loan, in the manner as may be prescribed by the Corporation from time to time.
- b) The Borrower shall furnish periodic progress reports on the formats, as defined by the Corporation, on the utilization of this loan and on the physical progress of the project/programme from time to time.
- c) The Borrower shall furnish a completion report on the successful completion of the project within 6 (six) months of the commercial operation of the projects/schemes as per format prescribed by the Corporation.
- d) The Borrower shall provide full co-operation and access to the officials of the Corporation/Consultants for monitoring through visits to Project related sites, store as well as the Head Quarters of the borrower. The borrower shall also provide documents as may be deemed necessary for assessing the physical as well as financial progress of the project.
- e) It would be open to the corporation to depute its officers and other staff/nominees for inspection of the matters relating to this loan and its purposes and the inspecting staff shall have access to such books, records and stores of the Borrowers as will be deemed necessary by the inspecting staff/ nominees. The Borrower shall allow all facilities to the inspecting officers/nominees for the purpose of carrying out such inspection and render such explanation or elucidation as may be required by the Corporation and or its nominees and allow the taking of any copies of/or extracts therefrom.

In case the Corporation is not satisfied with the progress of the project/scheme financed or the utilisation of financial assistance provided, it may resort to remedial measures as stipulated in the clause DEFAULT.

16 MAINTENANCE OF ACCOUNTS AND AUDIT:

- 16.1 The Borrower shall maintain proper accounts and other records and prepare annual accounts including the profit and loss account and the balance sheet in the forms and manner prescribed under the applicable Act/Regulations. The Borrower shall furnish to the Corporation the audited accounts within seven months of the close of the year to which the accounts relate.

23. 4. 211 81

17 STATE GOVT. LOAN/BUDGETARY SUPPORT:

- 17.1 The Borrower shall not make/adjust the payment of interest or repayment of State Govt. loans due to it until such time that the liability in regard to payment of interest and repayment of loan due up to date to the Corporation is fully paid.
- 17.2 The loan from the Corporation shall be in addition to the State's budgetary support committed for the project as per the approved annual plan provision.

18 SALE/ TRANSFER/ ABANDONING OF THE PROJECT BY THE BORROWER

- 18.1 The Borrower must be and continue to be the owner and in physical possession of the project at the time of execution of Memorandum of Agreement, disbursement of each instalment of loan amount and till all the moneys due to the Corporation are fully liquidated by the Borrower.
- 18.2 The Borrower shall not sell/transfer or abandon the project at any stage in any manner without prior written consent of the Corporation. The Corporation reserves the right to recall the loan with all outstanding dues including prepayment premium as applicable from time to time.

19 RIGHT TO ASSIGN / TRANSFER THE LOAN TO OTHER FIS, BANKS & ARCS

- 19.1 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.

20 MISCELLANEOUS PROVISIONS

- 20.1 The said loan shall also be subject to such further terms and conditions as may be laid down in the form of agreement to be executed by the Borrower.
- 20.2 Borrower shall agree for mapping of project assets and tracking progress of the project using services of National Remote Sensing Centre.
- 20.3 The Borrowers shall give an undertaking that any change in its pattern of ownership including shareholding of government shall be subject to prior written approval of PFC. Under such cases, PFC reserves the right to take necessary measures for safeguarding the interest of PFC and to stipulate additional conditions including but not restricted to rate of interest, additional security, collateral etc
- 20.4 The Borrower shall suitably include in Display Board pertaining to the project that the project is financed by PFC.
- 20.5 No dividend would be declared by the Borrower if there is any default in respect of PFC's loan.
- 20.6 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.
- 20.7 PFC's commitment to disburse against a loan will commence on first disbursement.
- 20.8 The Borrower shall furnish all the documents as may be required in terms of the loan. 21.3.2011

- 20.9 The Borrower shall execute the financing and the security documents in the format prescribed by the Corporation.
- 21 **PRE-COMMITMENT CONDITIONS**
- 21.1 Borrower shall become KYC Compliant with PFC's KYC policy before execution of the loan agreement between the Borrower and PFC.
- 21.2 The Borrower shall undertake that it shall provide information/documents as applicable from time to time for compliance with KYC policy of PFC. Further, the Borrower undertakes to submit information/documents to PFC in the event of any change in the information with respect to borrower, its Beneficial Owner(s) and Authorized Signatory(ies) as per KYC policy of PFC.
- 21.3 TSTRANSCO shall submit an undertaking to implement and adhere to the norms and any other additional terms and conditions mandated by statutory and / or regulatory agencies and obtain all applicable permits / all statutory and non-statutory clearances, as and when required during implementation and commissioning of the project;
- 21.4 TSTRANSCO shall submit an undertaking to obtain in principle approval from TSERC for investment in the schemes covered under the Project, wherever applicable.
- 21.5 TSTRANSCO shall submit an undertaking that in case investment in the projects covered in this loan is not approved by TSERC, TSTRANSCO shall refund the entire amount disbursed in the project to PFC with interest within six (6) months from TSERC's intimation regarding the same to TSTRANSCO.
- 21.6 TSTRANSCO shall give an undertaking that in the event of reduction of project cost by TSERC, the loan amount shall be reduced proportionally.
- 21.7 TSTRANSCO shall submit an undertaking that any observation from TSERC about the subject schemes will be intimated to PFC.
- 21.8 TSTRANSCO shall submit an undertaking that TSTRANSCO shall not create charge on the immovable assets of the project in favour of any third party and not dispose off the project assets during the currency of the loan.

21. 2. 2118

C3/SR/Telangana/TSTRANSCO/37203024/Vol.1/061140

LOAN NO: 37203024

26.12.2019

Sri D. Prabhakar Rao
Chairman & Managing Director
Transmission Corporation of Telangana Limited
Vidyut Soudha, Khairatabad,
Hyderabad-500082

Sub: Transmission Corporation of Telangana Limited (TSTRANSCO)- Financial Assistance to Transmission Corporation of Telangana Limited (TSTRANSCO) for Yadadri Thermal Power Evacuation Scheme in Telangana.

Ref: TSTRANSCO Letter No. JMD/FA&CCA(A/cs)&CFO/SAO(B&R and L)/D.No.1388/19 dated 26th November 2019

Dear Sir,

With reference to your letter referred above regarding financial assistance for Yadadri Thermal Power Evacuation scheme in Telangana, involving total estimated cost of ₹ 1334.22 Crore (including IDC of ₹ 327.61 Crore), we are pleased to advise that we are generally agreeable to advance a loan of ₹ 1102.26 Crore (Rupees One Thousand One Hundred Two Crore and Twenty Six Lakh Only) for this project - Loan no. 37203024. The loan shall be subject to the terms and conditions given in the attachment to this letter and also the terms and conditions as are laid down in the Memorandum of Agreement (MOA) to be executed between PFC and TSTRANSCO.

We request you to communicate your acceptance within one month from the date of this letter to avail the above loan on the said terms and conditions.

The following documents (in the prescribed formats) shall be required at the time of execution/disbursement of loan as per PFC's applicable policy:

A Documents required at the time of execution/signing of loan documents (to be submitted to L&D unit of PFC):

- 1 Extract of Board Resolution, duly attested by the Secretary/Company Secretary, accepting the loan on the terms and conditions of PFC and authorizing an officer to accept and agree to said terms and conditions and execute the relevant loan documents / undertakings etc.
- 2 Resolution under section 180 (1) (a) and 180 (1) (C) of the Companies Act, 2013, duly attested by Company Secretary (applicable to entities registered under Indian Companies Act).
- 3 Specimen signatures of authorized signatory duly attested by Secretary/Company Secretary.
- 4 Certificate of compliance of laws, bye-laws, etc. applicable to the borrower- to be issued by the Company Secretary/ Secretary of the borrower, as the case may be.
- 5 Certificate from the Company Secretary / Statutory Auditors of the Borrower that the borrowing is within the borrowing limits with details thereof.
- 6 Certificate in prescribed format that the borrower shall continue to be the owner and in physical possession of the project till the outstanding loan amount is fully liquidated.
- 7 Option letter whereby borrower opts for the reset period - 3, 5 or 10 years.
- 8 Quarter-wise drawal schedule.

G. SRINIVAS
Financial Adviser and Chief

VNBR VISWANADH
Managing Director
Power Finance Corporation Ltd.
Secretary, Chennai - 600 032

Controller of Accounts (Accounts) - 11000, New Delhi - 110002
TSTRANSCO, Vidyut Soudha, Khairatabad, Hyderabad - 500082
Phone: 23456000, Fax: 011-23412545

पंजीकृत कार्यालय: "ऊर्जाविधि", 1, बाराखंबा लेन, कनाउट प्लेस, नई दिल्ली - 110002
Regd. Office: "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi - 110002
TSTRANSCO, Vidyut Soudha, Khairatabad, Hyderabad - 500082
Phone: 23456000 Fax: 011-23412545

B Documents required at the time of disbursement of loan:

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- 3 Materials and equipment schedule, in the prescribed format, for the project / scheme to be financed under the loan.

In addition to above, the borrower shall furnish all other documents as may be required in terms of loan.

Thanking you,

Yours faithfully,

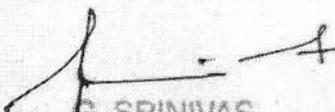
for **POWER FINANCE CORPORATION LTD.**

21-3-211
26/12/2015
(Rajesh Kumar Shahi)
General Manager (Projects-Southern Region)

Enclosed: As above

Copy to:

- 1 FA & CCA (Accounts), TSTRANSCO
- 2 GM- RO (South), PFC, Chennai
- 3 ED (SEA), PFC
- 4 ED (Loan Documentation), PFC
- 5 GM (Loan Disbursement), PFC
- 6 AGM (Loan Recovery), PFC


G. SRINIVAS
Financial Adviser and Chief
Controller of Accounts (Accounts) &
Chief Financial Officer
TSTRANSCO, Vidyut Soudha,
Hyderabad - 500 082.


VNBR VISWANADH .P
Manager
Power Finance Corporation Ltd.
Regional Office (South),
Module 35 & 40, 3rd Floor, Block 1,
Electronic Complex, Thiru Vi Ka Industrial Estate,
Guindy, Chennai - 600 032.

TERMS AND CONDITIONS OF SANCTION OF RUPEE TERM LOAN NO. 37203024**1 AGREEMENT**

- 1.1 The Borrower shall execute a Memorandum of Agreement (MOA) in the form prescribed by the Power Finance Corporation Ltd. (the Corporation) for the purpose which shall include all terms & conditions of the sanction letter. The Borrower shall submit all other documents as required within six months of the date of letter of sanction of loan.
- 1.2 The Memorandum of Agreement shall not be executed in case the borrower has been declared a defaulter by the Corporation.

2 VALIDITY PERIOD OF SANCTION

- 2.1 The sanction of loan shall be valid for a period of six months from the date of sanction letter, within which borrower to execute the complete documents (i.e. MOA along-with documents required before or at the time of execution of MOA). However, the Corporation may, in exceptional cases, agree to extend the aforesaid period of six months, for such further period as it may deem appropriate if the Borrower makes an application to the Corporation before expiry of initial six-month period, duly supported by the reasons for such extension.

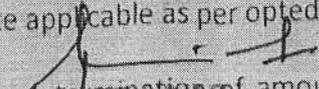
3 RATE OF INTEREST

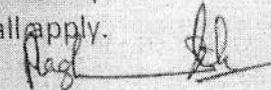
- 3.1 The Borrower shall pay interest on the said Loan at the rate of interest prevailing on the date of each disbursement as per the Corporation policy which shall be as notified by the Corporation* (presently it is 11.15%[#] per annum payable monthly basis for reset period of three years) along with tax, if any, at the rate applicable from time to time. The interest in favour of the Corporation shall begin to accrue from the date of payment/cheque issued by the Corporation. The instalment of interest and tax, if any, will be payable monthly on the 15th day of each month, after commencement of disbursement. The amount of interest and tax, if any, payable will be calculated at the above rate up to the date immediately preceding the due date of payment i.e. 14th day of the month on the amount disbursed/ outstanding up to the last day of the preceding month. Computation of interest shall be made on a daily basis using 365 days factor.

* Effective interest rate after rebate/incentive of 0.25% (presently applicable) for timely payment of dues. The Corporation shall recover interest from the Borrower considering the rates without rebate. The rebate, wherever applicable, shall be refunded to the Borrowers immediately in the cases where the total amount due on a due date has reached the Corporation by the due date.

- 3.2 Interest Reset: Notwithstanding anything herein above, the Corporation shall have a right to reset the rate of interest, at its discretion, from third /fifth/tenth year (as applicable) beginning with the date of first disbursement. Borrower shall furnish the option in regard to reset period at the time of execution of MOA. Interest rate applicable as per opted reset period shall apply.

Methodology for resetting i.e. determination of amount to be reset, reset date etc. shall be as applicable from time to time.


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DRAWAL SCHEDULE

Power Finance Corporation Ltd.

- 4.1 The borrower shall submit a quarter-wise schedule of drawal of this loan a month before the first disbursement to the Corporation, the year being the financial year commencing April 1st and ending March 31st and, the quarters being three months period beginning from 1st April, 1st July, 1st October and 1st January of the year. The borrower will be required to draw the entire amount of committed funds in the respective quarters.

5 REPAYMENT OF LOAN

- 5.1 The loan shall be repaid by the Borrower in 180 (one hundred and eighty) equal monthly instalments on 15th day of each month, commencing on the first repayment date falling 6 months after scheduled Date of Commencement of Commercial operations (DCCO).*
- *Could be reviewed and changed at the time of execution of loan documents.

6 ALL PAYMENTS TO BE REALISABLE AT PAR IN NEW DELHI:

- 6.1 The Borrower shall so arrange that the amounts due and payable to the Corporation are realizable by the corporation at par on the due date of the relevant payments in New Delhi. The Corporation shall prefer and encourage the borrowers to make payments of the dues through e-payment system, in specified Bank Account(s) of the Corporation, as may be notified from time to time.

7 SHIFTING OF DUE DATE OF PAYMENT OF INSTALMENT:

- 7.1 In case the standard due date falls on a bank holiday (at the Corporation's bank at New Delhi), the due date shall be shifted to the immediately following bank working day and interest will be charged till such date.

8 APPROPRIATION OF AMOUNT PAID BY THE BORROWER:

- 8.1 The amount paid by the Borrower shall be appropriated in the order of occurrence of dues in the following order:
- Costs, charges, expenses, applicable taxes, statutory duties and other moneys;
 - Interest on costs, charges, expenses, losses, applicable taxes, statutory duties and other moneys;
 - Additional Interest;
 - Commitment Charges;
 - Interest/ tax if any;
 - Repayment of principal in the order of the occurrence of the dues; and lastly;
 - Prepayment of principal.
- 8.2 The borrower shall agree that if the money remains unpaid for more than one due date, the dues shall be appropriated due date wise in order of their occurrence i.e. dues pertaining to a due date which has occurred earlier in sequence would be appropriated first. Thereafter, the dues pertaining to the ensuing due date would be appropriated and the appropriation of dues shall continue in the same manner till all dues are appropriated. The dues for each due date shall be appropriated as per the appropriation clause 8.1.

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9.3 Appropriation of instalment of principal payment

Unless agreed otherwise, the repayment of loan instalment shall be appropriated on First In First out (FIFO) basis i.e. loan repayment instalment shall be appropriated against the outstanding disbursements (i.e., outstanding loan balance) in the same sequence in which loan was disbursed.

9 **PRE-PAYMENT OF LOAN**

9.1 Prepayment of a Loan by the borrower can be made only after obtaining the prior written consent of PFC. It would be PFC's sole discretion to grant or refuse to grant such consent. Further, PFC's consent for prepayment (which will include the consent for full or partial prepayment) shall be valid for a maximum period of 2 months from the date of receipt of approval from Competent Authority.

9.2 The borrower shall have the option to prepay the principal outstanding in a Rupee Term Loan (either in full or in part) together with all interest, other charges and monies due and payable to the PFC up to the date of such prepayment subject to Payment of a Prepayment premium on the loan amount proposed to be prepaid on any day and subject to a Notice period of 30 days. In case borrower wants to pre-pay with a shorter notice period, PFC shall charge interest for the entire 30 days of stipulated notice period.

9.3 In case of partial prepayment, the option to prepay the principal outstanding Loan in parts can be exercised by the borrower maximum upto 2 times during the entire loan period (including subsequent extension in the loan period, if any). For determining the above 2 time limit for partial prepayment, only those cases will be considered where the prepayment amount has been received within the validity period of PFC's consent.

10 **DRAWL & UTILISATION OF LOAN AND COMPLETION OF PROJECT:**

10.1 The Borrower shall ensure that the equipment/materials for which the loan is obtained from the Corporation are utilised for the implementation of the project.

10.2 The Borrower shall not raise borrowings from any other sources for meeting the cost of equipment/materials/works financed through this loan.

10.3 The Borrower shall take all necessary steps to ensure that the project is completed as envisaged in the manner and according to the time schedule envisaged, i.e. 60 months from the date of first disbursement by PFC (scheduled Date of Commencement of Commercial Operation, DCCO) or such other date as may be agreed to by the Corporation. However, the DCCO shall be firmed up after the first disbursement.

10.4 The procurement by the borrower for various equipment/material/work/studies being fully/partially financed by the Corporation loan shall generally be done in accordance with the borrower's standard procurement procedure or as may be applicable by the International Financial Institution whose loan proceed may be intended to be availed under the loan.

10.5 The loan shall be disbursed according to the disbursement procedure of the Corporation, as modified/amended from time to time and/or as mutually agreed. The Borrower shall before the disbursement of the loan sanctioned, furnish to the Corporation a schedule in the prescribed form containing complete details of the equipment/materials ordered/supplied and/or civil/ erection work completed/ to be completed for which the payments are required to be made on to become due.

[Signature]
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Financial Adviser and Chief
Controller of Accounts (Accounts) &
Chief Financial Officer
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Hyderabad - 500 082.

[Signature]
V. N. R. VISWANADH
Power Finance Corporation Ltd.
Office (South)
Electronic Complex, Thiru Vi Ke Industrial Estate,
Guindy, Chennai - 600 032.

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- 10.6 The Borrower shall have to submit its application for drawl of the loan duly supported by the certificates and documents as required by the Corporation.
- 10.7 For specific type of loans or sub-projects or loan arrangements tailor made disbursement/reimbursements procedures would be evolved in consultation with the Borrower and shall be followed on both sides.
- 10.8 If desired by the Borrower, the Corporation may make an advance payment as per the disbursement procedure of the Corporation on completion of necessary loan documents. The utilization certificate shall be submitted by the borrower normally within six months of the drawl against advance.
- 10.9 The Corporation shall not be liable for any charge whatsoever for which the Borrower may become liable due to delayed payment in respect of the equipment/materials ordered/supplied or in respect of civil/erection works executed through the agency(ies) engaged.
- 10.10 The borrower shall draw the loan as per drawl schedule and the closing date of loan shall be 6 months from the date of scheduled DCCO or such other date as may be agreed to by the Corporation. The DCCO shall be firmed up after the first disbursement.
- 10.11 Claims for expenditure incurred from 10th October 2019 will be admissible against this loan.
- 11 **TRANSFER AGREEMENTS IN CASE OF STRUCTURING OF SEBs / STATE POWER UTILITIES:**
(applicable for loan(s) sanctioned to integrated SEBs/SPUs only and where all the transfer agreements are yet to be signed)

Not applicable

12 **GUARANTEES & SECURITIES**

12.1 **CHARGE ON ASSETS:**

The loan together with all interest (including additional interest), costs, expenses, applicable taxes, statutory duties and other money shall be secured with the prescribed coverage ratio (presently 1.1 times) applicable in case of (name of borrower) by a first charge by way of hypothecation in favour of the Corporation of all the Borrower's movable assets (save and except book debts), including movable machinery, mandatory spares, tools and accessories, fuel stock, spares and material at project site, present and future. The creation and perfection of security has to be done before first disbursement.

The Borrower shall make out good marketable title to its properties to the satisfaction of the Corporation and comply with all such formalities as may be necessary or required for the said purpose.

- 1 **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.

Registration of charge: The Borrower shall have the particulars of charge registered with the Registrar of companies (ROC) as per the Companies Act within stipulated time, and shall submit a certificate from the ROC certifying the registration of charge.

[Signature]
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Chief Financial Officer
TSTRANSCO, Vidyut S. dha,

[Signature]
VNBR VISWANADH P
Manager
Regional Office (South)
Electronic Complex, Third V. Ka Industrial Estate,
Guindy, Chennai - 600 032

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12.2 The borrower shall enhance/open an escrow account for the entire pendency of the loan with the prescribed coverage ratio (presently 1.1 times) applicable in case of TSTRANSCO to the satisfaction of the Corporation. The creation and perfection of security has to be done before first disbursement.

13 **ADDITIONAL INTEREST IN CASE OF DELAY IN PAYMENT/LIABILITY TOWARDS ADDITIONAL CHARGES/COSTS ETC:**

13.1 In the event of the interest or the principal not being paid to the Corporation by the Borrower on the due date as indicated in the foregoing clauses, the Borrower shall pay to the Corporation additional rate of interest, as per policy which is currently 2 % over and above the rate of interest mentioned in para 3.1 ante at which the loan is disbursed/reset, which will be compounded on monthly basis.

13.2 The additional interest charged from borrowers shall be subject to the rebate of different rates, provided the repayment of dues is received in the following manner:

- a) In case the payment is received within one month of the date on which the repayments become due, 50% of the additional interest due from the date of default till the date of receipt, shall be allowed as rebate;
- b) In case the payment is received within two months of the date on which the repayments become due, 30% of the additional interest due from the date of default till the date of receipt shall be allowed as rebate;
- c) In case the payment is received within three months of the date on which the repayments become due, 10% of the additional interest due from the date of default till the date of receipt, shall be allowed as rebate; and
- d) No rebate shall be given in additional interest in case of default of over three months.

13.3 The Borrower shall pay on demand all costs, charges, expenses, applicable taxes, statutory duties and other money that may be incurred by the Corporation including but not restricted to documentation and creation of security, in connection with remittance/receipt of moneys to or to the order of or from the borrower, or in connection with protecting and/or enforcing the rights of the Corporation under the Memorandum of Agreement and/or Guarantee Deed and/or any other document for the loan in question. The decision of the Corporation with regard to the amount/loss incurred on these, shall be final and binding on the Borrower.

14 **DEFAULTS:**

14.1 In case it is found to the satisfaction of the Corporation, which shall be final and not questioned, that the amount already disbursed has not been properly and effectively utilised by the Borrower for the project/programme and/or the progress achieved in the implementation of the project/programme or compliance of any of the condition(s) of this loan is considered to be not satisfactory, the Corporation shall have absolute discretion at any time to suspend, reduce, cancel, recall, alter or delay disbursement of said loan and/or instalments in any manner and may decline to disburse any and/or all the remaining instalments without assigning any reason thereof, to the Borrower, and without being liable for any losses or damages.

VNBR VISWANADH P

Manager

Power Finance Corporation Ltd.

Electronic Complex, Thiru Vi Ka Industrial Estate

G. SRINIVAS

Financial Adviser and Chief

Controller of Accounts

Chief Financial Officer

TSTRANSCO, Hyderabad

Hyderabad - 500 082

14.2 If the Borrower defaults in the payment of principal or interest or any other payment required under the loan agreement, the Corporation, at its option, may by notice to the Borrower and to the guarantor, declare the principal of the loan then outstanding to be due and payable immediately together with the interest and other charges thereon, and on such declaration such principal, together with the interest and other charges thereon, shall become due and payable immediately.

14.3 In case of default in payment of dues such as principal, interest etc, as the case may be, for loan, the Corporation shall have the right to disclose the name/details of the borrower/loan etc. to CIBIL or RBI or any such authority.

15 SUPERVISION AND MONITORING:

15.1 The Corporation would monitor the progress of project/scheme financed by it. In this respect:

- a) The Borrower shall furnish to the Corporation such reports on its working, either in general or in specific relation to this loan, in the manner as may be prescribed by the Corporation from time to time.
- b) The Borrower shall furnish periodic progress reports on the formats, as defined by the Corporation, on the utilization of this loan and on the physical progress of the project/programme from time to time.
- c) The Borrower shall furnish a completion report on the successful completion of the project within 6 (six) months of the commercial operation of the projects/schemes as per format prescribed by the Corporation.
- d) The Borrower shall provide full co-operation and access to the officials of the Corporation/Consultants for monitoring through visits to Project related sites, store as well as the Head Quarters of the borrower. The borrower shall also provide documents as may be deemed necessary for assessing the physical as well as financial progress of the project.
- e) It would be open to the corporation to depute its officers and other staff/nominees for inspection of the matters relating to this loan and its purposes and the inspecting staff shall have access to such books, records and stores of the Borrowers as will be deemed necessary by the inspecting staff/ nominees. The Borrower shall allow all facilities to the inspecting officers/nominees for the purpose of carrying out such inspection and render such explanation or elucidation as may be required by the Corporation and or its nominees and allow the taking of any copies of/or extracts therefrom.

In case the Corporation is not satisfied with the progress of the project/scheme financed or the utilisation of financial assistance provided, it may resort to remedial measures as stipulated in the clause DEFAULT.

16 MAINTENANCE OF ACCOUNTS AND AUDIT:

16.1 The Borrower shall maintain proper accounts and other records and prepare annual accounts including the profit and loss account and the balance sheet in the forms and manner prescribed under the applicable Act/Regulations. The Borrower shall furnish to the Corporation the audited Financial Accounts within seven months of the close of the year to which the accounts relate.

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Chief Financial Officer
Controller of Accounts (Accounts) &

17 STATE GOVT. LOAN/BUDGETARY SUPPORT:

- 17.1 The Borrower shall not make/adjust the payment of interest or repayment of State Govt. loans due to it until such time that the liability in regard to payment of interest and repayment of loan due up to date to the Corporation is fully paid.
- 17.2 The loan from the Corporation shall be in addition to the State's budgetary support committed for the project as per the approved annual plan provision.

18 SALE/ TRANSFER/ ABANDONING OF THE PROJECT BY THE BORROWER

- 18.1 The Borrower must be and continue to be the owner and in physical possession of the project at the time of execution of Memorandum of Agreement, disbursement of each instalment of loan amount and till all the moneys due to the Corporation are fully liquidated by the Borrower.
- 18.2 The Borrower shall not sell/transfer or abandon the project at any stage in any manner without prior written consent of the Corporation. The Corporation reserves the right to recall the loan with all outstanding dues including prepayment premium as applicable from time to time.

19 RIGHT TO ASSIGN / TRANSFER THE LOAN TO OTHER FIS, BANKS & ARCS

- 19.1 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.

20 MISCELLANEOUS PROVISIONS

- 20.1 The said loan shall also be subject to such further terms and conditions as may be laid down in the form of agreement to be executed by the Borrower.
- 20.2 Borrower shall agree for mapping of project assets and tracking progress of the project using services of National Remote Sensing Centre.
- 20.3 The Borrowers shall give an undertaking that any change in its pattern of ownership including shareholding of government shall be subject to prior written approval of PFC. Under such cases, PFC reserves the right to take necessary measures for safeguarding the interest of PFC and to stipulate additional conditions including but not restricted to rate of interest, additional security, collateral etc.
- 20.4 The Borrower shall suitably include in Display Board pertaining to the project that the project is financed by PFC.
- 20.5 No dividend would be declared by the Borrower if there is any default in respect of PFC's loan.
- 20.6 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.

G. SRINIVAS

20.7 Financial Commitment to disburse against a loan will commence on first disbursement.
 Controller of Accounts (Accounts) &
 Chief Financial Officer

20.8 The Borrower shall furnish all the documents as may be required in terms of the loan.

Hyderabad, 500 001

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521 001, Machilipatnam

20.9 The Borrower shall execute the financing and the security documents in the format prescribed by the Corporation.

21 PRE-COMMITMENT CONDITIONS

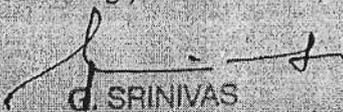
- 21.1 TSTRANSCO shall become KYC Compliant with PFC's KYC policy before execution of the loan agreement between the Borrower and PFC
- 21.2 TSTRANSCO shall undertake that it shall provide information/documents as applicable from time to time for compliance with KYC policy of PFC. Further, the Borrower undertakes to submit information/documents to PFC in the event of any change in the information with respect to borrower, its Beneficial Owner(s) and Authorized Signatory(ies) as per KYC policy of PFC.
- 21.3 TSTRANSCO shall submit an undertaking to implement and adhere to the norms and any other additional terms and conditions mandated by statutory and / or regulatory agencies and obtain all applicable permits / all statutory and non-statutory clearances, as and when required during implementation and commissioning of the project
- 21.4 TSTRANSCO shall submit an undertaking to obtain CEA approval for the revised scheme as proposed in this project
- 21.5 TSTRANSCO shall submit an undertaking that in case investment in the projects covered in this loan is not approved by TSERC, TSTRANSCO shall refund the entire amount disbursed in the project to PFC with interest within six (6) months from TSERC's intimation regarding the same to TSTRANSCO
- 21.6 TSTRANSCO shall give an undertaking that in the event of reduction of project cost by TSERC, the loan amount shall be reduced proportionally
- 21.7 TSTRANSCO shall submit an undertaking that any observation from TSERC about the subject schemes will be intimated to PFC
- 21.8 TSTRANSCO shall submit an undertaking that TSTRANSCO shall not create charge on the immovable assets of the project in favour of any third party and not dispose off the project assets during the currency of the loan
- 21.9 TSTRANSCO shall submit an undertaking that TSTRANSCO shall make necessary entries for transfer of an amount of Rs. 324.78 crore from Re-organisation Resultant Reserve to Equity Share Capital Account and Equity Share Capital will be shown accordingly in its annual accounts

22 PRE-DISBURSEMENT CONDITIONS

- 22.1 Disbursement beyond ₹1055.75 Crore shall be subject to TSTRANSCO creating additional security of atleast ₹51.16 Crore to the satisfaction of PFC

23 OTHER CONDITIONS

- 23.1 TSTRANSCO shall submit the audited annual accounts for FY 2018-19 by 31st March 2020.
- 23.2 TSTRANSCO shall make necessary entries for transfer of an amount of Rs. 324.78 crore from Re-organisation Resultant Reserve to Equity Share Capital Account and Equity Share Capital will be shown accordingly in its annual accounts by 30th June 2020


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21-3-2020

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Power Finance Corporation Limited

Interest Rates (effective from March 20, 2024)

BORROWER SCHEME/PRODUCT		State Sector Borrowers / CPSUs / JVs			Private Sector Borrowers		
		Category A++	Category A+	Category A	Category IR-1	Category IR-2	Category IR-3
I. On Monthly rest basis, with 1 year reset							
A	Generation Projects	10.40	10.90	11.15	10.65	10.90	11.15
B	Generation Projects - R&M & R&U	10.00	10.75	11.00	10.50	10.75	11.00
C	Distribution Projects	--	10.25	10.75	10.25	10.75	11.00
D	Transmission Projects (including TBCB route Projects)	9.50	10.00	10.25	10.00	10.25	10.50
E	Pollution Control Equipments like Flue Gas Desulfurization (FGD) etc. (Refer note 4)	9.50	10.00	10.25	9.75	10.00	10.25
F	Non-Conventional Energy - Renewable (Wind/Solar) (Refer note 4)	8.95	9.45	9.70	9.20	9.45	9.70
II. On Monthly rest basis							
G	Short Term Loans (STL) and Revolving Bill Payment Facility (RBPF)						
	(a) Tenor upto 6 months (with 90 days reset)	8.75	9.00	9.25	Refer Note 8		
	(b) Tenor > 6 months upto 12 months (with 90 days reset)	9.00	9.25	9.50			
H	Medium Term Loans (MTLs) for tenor upto 3 years (Refer Note 4)	9.50	10.00	10.25	--		

Notes:

1	<p>Applicability:</p> <ul style="list-style-type: none"> ◆ Above interest rates will be applicable on all disbursements w.e.f. March 20, 2024. ◆ Only 1 year reset option is available for RTLs/MTLs whose documents are executed on/after December 26, 2022. ◆ Quarterly rates are to be derived from above rates & to be rounded off (refer Annexure-A). Further, interest rates for 3 year reset shall be higher by 25 bps.
2	<p>Borrower Categories & Rates:</p> <ul style="list-style-type: none"> ◆ State Sector categories 'A++', 'A+', 'A', 'B', 'C', 'D' and Private Sector Categories IR-1 to IR-5 are based on PFC's internal categorization methodology. ◆ Interest rates for State Sector Borrowers/JVs/CPSUs Category 'B', 'C' & 'D' shall be higher by 25 bps, 50 bps & 75 bps respectively than the interest rates applicable to Category 'A' borrowers. ◆ Interest rates for Private Sector Category IR-4 & IR-5 borrowers shall be higher by 25 bps & 50 bps respectively than the interest rates applicable to Category IR-3 borrowers. ◆ Interest rates for 'AAA' rated State Sector borrowers shall be that of rates applicable to State Sector Category 'A++'. ◆ Interest rates for Government Sector entities (other than Identified CPSUs & AAA rated) not being rated shall be that of rates applicable to State Sector Category 'A'.
3	<p>Following are applicable on Sanctions w.e.f. April 1, 2021:</p> <ul style="list-style-type: none"> ◆ For all Loans (excepting STL, RBPF, MTL & loans for 6(i) below), 25 bps and 50 bps rebate shall be allowed for providing Government Guarantee as security and for entering into Tripartite Agreement (TPA) for payment security through RBI backstop arrangements respectively; subject to maximum rebate of 50 bps. However, the said rebates are available for MTLs (tenor of more than 3 years) whose documents are executed on/after December 26, 2022. ◆ Post COD rebate of 25 bps shall be allowed after 6 months of satisfactory commercial operations for Conventional Generation and Renewable Energy Projects (except PSPs). In case of Private Sector, external rating (investment grade) needs to be submitted within 1 year of COD and thereafter every year as per guidelines so as to avail the rebate continuously. ◆ A rebate of 10 bps shall be allowed for all Solar projects, if the domestic content is 75% or more.
3(a)	<p>The following shall be applicable to borrowers/loans categorized as Stage-2 / Category 'D' [on all existing / future loans] :-</p> <p>If a borrower is downgraded to Stage-2 category as per Ind-AS / Category 'D' as per internal categorization methodology, the benefit of rebates/discounts (other than timely payment rebate, wherever applicable) like special discount, CoD rebate etc. shall not be available to the loans (which are in default) for the period of such downgrades. Benefit of such rebates/discounts will again be allowed prospectively on the entire eligible outstanding loan amounts effective from the date of upgrade from Stage-2 and Category 'D', whichever is later. Further, an additional interest of 25 bps shall be charged on the entire outstanding amounts of Stage-2 Category loans (which are in default) for the period of such downgrade.</p>

4	<ul style="list-style-type: none"> ◆ Rates for Pollution control equipments are applicable for Commissioned thermal projects only. In other cases, Generation projects rates shall be applicable. ◆ Interest rates for Renewable Projects - Hydro (upto 25 MW) / Biomass / Waste to Energy shall be higher by 50 bps as compared to respective applicable Renewable Energy rates at Point F above. For Hydro Projects > 25 MW, respective Generation category rates are applicable. ◆ For MTLs having tenor of more than 3 years, interest rates shall be 50 bps higher as compared to applicable rates of respective schemes above and should be with 1 year reset clause. 																																																							
5	Interest rates for Pump Storage Projects (PSPs) shall be higher by 25 bps as compared to respective applicable Renewable Energy (Solar/Wind) projects; and after 6 months of satisfactory commercial operations, the same shall be aligned with Post COD rates applicable for Renewable Energy (Solar/Wind) projects. In case of Private Sector, external rating (investment grade) needs to be submitted within 1 year of COD and thereafter every year as per guidelines so as to avail the rebate continuously.																																																							
6	Interest Rates applicable to other Loan Products are :																																																							
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%; text-align: center;">Particulars</th> <th style="width: 30%; text-align: center;">Applicable Interest rates (Monthly rest basis, with 1 year reset)</th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td colspan="5">For State Sector borrowers / CPSUs / JVs</td> </tr> <tr> <td>(i) Electro/Hydro Mechanical components in Large Irrigation Projects (with Govt. Guarantee)</td> <td>Conventional Generation "A+" rate across all grades</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(ii) Financial Assistance for Computerisation/Studies</td> <td>Generation Projects - R&M / R&U</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(iii) Transitional Financing</td> <td>Distribution Projects + 75 bps</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(iv) Buyers Line of Credit</td> <td>Rates for respective schemes</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="5">For all borrowers</td> </tr> <tr> <td>(v) Project Specific Funding (PSF)</td> <td>Non-Conventional Energy + 50 bps</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(vi) Equipment Manufacturing (Other than Renewable)</td> <td>Generation Projects + 50 bps</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(vii) Equipment Manufacturing (Renewable)</td> <td>Non-Conventional Energy + 50 bps</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(viii) Funding against Regulatory Assets</td> <td>Distribution Projects + 190 bps</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Particulars	Applicable Interest rates (Monthly rest basis, with 1 year reset)				For State Sector borrowers / CPSUs / JVs					(i) Electro/Hydro Mechanical components in Large Irrigation Projects (with Govt. Guarantee)	Conventional Generation "A+" rate across all grades				(ii) Financial Assistance for Computerisation/Studies	Generation Projects - R&M / R&U				(iii) Transitional Financing	Distribution Projects + 75 bps				(iv) Buyers Line of Credit	Rates for respective schemes				For all borrowers					(v) Project Specific Funding (PSF)	Non-Conventional Energy + 50 bps				(vi) Equipment Manufacturing (Other than Renewable)	Generation Projects + 50 bps				(vii) Equipment Manufacturing (Renewable)	Non-Conventional Energy + 50 bps				(viii) Funding against Regulatory Assets	Distribution Projects + 190 bps			
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7	For all outstanding loans where borrower has availed 5/10 year resets, 3 year reset rates from above shall apply at the time of reset. However, reset period shall continue to be as per the terms of respective Loan Agreements.																																																							
8	Interest rates for STL to Private Sector borrowers with A1, A2 & A3 external credit ratings shall be 10.40%, 10.90% and 11.40% respectively .																																																							
9	For corresponding rates for quarterly rests and effective annualized interest rates, Annexure-A attached to this circular may please be referred.																																																							

Annexure - A		
Effective Interest Rates		
Monthly rests (%)	Effective rate on Quarterly rests (%) (rounded off)	Effective annualized rates (%)
8.00	8.05	8.30
8.25	8.30	8.57
8.35	8.40	8.68
8.45	8.50	8.79
8.50	8.55	8.84
8.60	8.65	8.95
8.65	8.70	9.00
8.70	8.75	9.06
8.75	8.80	9.11
8.85	8.90	9.22
8.90	8.95	9.27
8.95	9.00	9.33
9.00	9.05	9.38
9.10	9.15	9.49
9.15	9.20	9.54
9.20	9.25	9.60
9.25	9.30	9.65
9.35	9.40	9.76
9.40	9.45	9.82
9.45	9.50	9.87
9.50	9.60	9.92
9.65	9.75	10.09
9.70	9.80	10.14
9.75	9.85	10.20
9.90	10.00	10.36
9.95	10.05	10.42
10.00	10.10	10.47
10.15	10.25	10.64
10.20	10.30	10.69
10.25	10.35	10.75
10.40	10.50	10.91
10.45	10.55	10.97
10.50	10.60	11.02
10.65	10.75	11.19
10.70	10.80	11.24
10.75	10.85	11.30
10.90	11.00	11.46
11.00	11.10	11.57
11.15	11.25	11.74
11.25	11.35	11.85
11.40	11.50	12.01
11.50	11.60	12.13
11.65	11.75	12.29
11.75	11.85	12.40
11.80	11.90	12.46
11.90	12.00	12.57
12.05	12.15	12.74
12.15	12.25	12.85
12.30	12.45	13.02
12.40	12.55	13.13
12.55	12.70	13.30
12.65	12.80	13.41
12.80	12.95	13.58

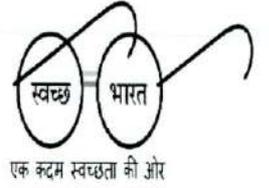


REC Limited

(formerly Rural Electrification Corporation Limited)

(A Government of India Enterprise)

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Office: REC World Head Quarters, Plot No. 1-4, Near IFFCO Chowk, Sector-29,
Gurugram-122001, (Haryana)
Tele. 011-4102 0101 Fax 011-2436 0644 Website www.recindia.com
[CIN: L40101DL1969GOI005095]



Date: 28.03.2024

No. LPC No. 009/2023-24

Loan Policy Circular No. 009/2023-24

Sub: Revision in lending rates of REC Limited

Competent Authority has approved revision in the interest rates of Conventional Generation Projects for various category of borrowers (except Category A++ State Sectors borrowers/CPSU/ JVs), as summarized in Annexure A, read with effective interest rates appearing at Annexure B hereto.

The revised rate will be applicable with effect from April 01, 2024 till further notification.

Sr. CPM/CPMs and other officers in Registered Office/ Corporate Office of the Company issuing sanction letters are requested to ensure that applicable interest rates and other terms & conditions are duly informed to all concerned and correctly incorporated in the sanction letters.


T Ramraj
Manager/ALM

Encl.: Annexures A & B

Distribution:

1. O/o CMD and D(F)
2. ED(SOP)/ED(PSPM)/ED(T&D and Gen).
3. HOD (Loans & Recovery)
4. All Sr. CPM/ CPMs in ROs/POs, and State Offices.
5. HoD (IT) - for arranging uploading on REC website and intranet.
6. HOD (Rajbhasha) - For translation in Hindi.

REC Limited

Revised Lending Rates effective from April 01, 2024 till further notification

A. On monthly rest basis, with 1 year reset (% p.a.)

Sl. No	Scheme /Product Borrower	State Sector Borrowers/CPSUs/JVs			Private Sector Borrowers		
		A++	A+	A	IR1	IR2	IR3
1	Conventional Generation	10.40	10.90	11.15	10.65	10.90	11.15
2	R&M of Conventional Generation (including Small Capex)	10.00	10.75	11.00	10.50	10.75	11.00
3	Installation of Pollution Control Equipment's like FGD etc.	9.50	10.00	10.25	9.75	10.00	10.25
4	Non-Conventional Generation-Renewable Energy (Wind and Solar).For other projects, refer to note no.8	8.95	9.45	9.70	9.20	9.45	9.70
5	Transmission	9.50	10.00	10.25	10.00	10.25	10.50
6	Distribution	10.00	10.25	10.75	10.25	10.75	11.00

B. On monthly rest basis (%p.a.)

1	Short Term Loan and Revolving Bill Payment Facility (RBPF-only for state Sector)						
(a)	Tenor upto 6 months (with 3 months reset)	8.75	9.00	9.25	Please refer to Note No14 for STL only		
(b)	Tenor>6 months upto 12 months (with 3 months reset)	9.00	9.25	9.50			
2	Medium Term Loan (with no reset)	9.50	10.00	10.25			

Notes:

1. The revised interest rates as above will be applicable in respect of all disbursements made on or after April 01, 2024 till further notification.
2. Interest rates for State Sector/CPSUs/JVs-Grade B, C & D borrowers shall be higher by 25 bps, 50 bps and 75 bps respectively than the interest rates applicable to Grade A. Interest rates for Private Sector-Grade IR-4 & IR-5 borrowers shall be higher by 25 bps & 50 bps respectively than the interest rates applicable to Grade IR-3.
3. Interest rate for Loans with "Reset after every 3 Years" shall be 25 bps higher than the rates of Term Loans with "Reset after every 1 year".
4. 1 year reset option is available for all schemes/products, where loan documents are executed on or after 01.04.2021.



5. The option of "Reset after every 10 years" is available only for loans sanctioned before 01/09/2020 and the Interest rate shall be 15 bps higher than the rates of Term Loans with "Reset after every 3 years".
6. 10 bps rebate shall be allowed on the card rate for all solar projects sanctioned on or after 01.04.2021, if the domestic content is 75% or more.
7. The rates for FGD etc. at S.No. 3 above are applicable only for installation of such equipment's in commissioned projects. In other cases, rates of Conventional Generation shall be applicable.
8. For Small Hydro (upto 25 MW), Biomass and Waste to Energy Projects, the interest rate will be 50 bps higher than the applicable Renewable Energy rates. For Hydro projects of more than 25 MW capacity, Conventional Generation rates will apply.
9. Interest Rates applicable to other Loan Products: **(Monthly rest, 1 year reset)**

Sl No.	Particulars For State Sector Borrowers/CPSUs/JVs:	Applicable Interest rates
a	Funding against Regulatory Assets	Distribution + 190 bps
b	Financial Assistance for Computerisation / Studies	R&M of Conventional Generation (including Small Capex)
c	Transitional Financing to Discoms	Distribution + 75 bps
d	Renewable - RPO (Only for existing loans)	Distribution + 50 bps
e	Electro/Hydro mechanical components in large irrigation projects (with Govt Guarantee)	Conventional Generation 'A+' across all grades
f	Special Term Loans	Tenor upto 3 years - MTL Rates, Tenor > 3 years - Respective scheme rates +50 bps (with 1 year reset)
For All Borrowers:		
g	Project Specific Funding	Non-Conventional Generation-Renewable Energy + 50 bps
h	Equipment Manufacturing (other than RE)	Conventional Generation + 50 bps
i	RE Equipment Manufacturing Projects	Non-Conventional Generation-Renewable Energy + 50 bps

10. For all loans (Except STL, RBPF, MTL & 9(e)), sanctioned on or after 01.04.2021, 25 bps rebate and 50 bps rebate shall be allowed on the above rates for providing Government guarantee as security and for providing Mandate letter (DDM) from State Govt. in favour of RBI respectively, subject to maximum rebate of 50 bps.
11. For sanctions on or after 01.04.2021, Post COD rebate of 25 bps is allowed on the above rates for Conventional Generation and Renewable Energy projects, after 6 months of satisfactory commercial operations. Private Sector borrower to submit external rating (not

F. Anand

less than investment grade) within one year of CoD and every year thereafter, as per guidelines, to continue to avail the rebate.

12. In case a borrower/project is downgraded to Stage 2 Category as per Ind-AS, applicable interest rates on the loan shall be higher by 25 bps till it is upgraded, for loans sanctioned on or after 01.04.2021.
13. If a borrower is downgraded to Stage-2 category as per Ind-AS / Category 'D' as per internal categorization methodology, the benefit of rebates/discounts (other than timely payment rebate, wherever applicable) like special discount, CoD rebate etc. shall not be available to the loans (which are in default) for the period of such downgrades. Benefit of such rebates/discounts will again be allowed prospectively on the entire eligible outstanding loan amounts effective from the date of upgrade from Stage-2 and Category 'D', whichever is later.
14. Interest rates for STL to Private Sector borrowers with A1, A2 & A3 ratings shall be 10.40%, 10.90% & 11.40% respectively.
15. Interest rates for AAA rated State Sector borrowers/CPSUs/JVs shall be that of rates applicable to Grade A++.
16. In case of Generation projects, if there is a Government Sector entity (other than AAA rated Companies) which has presently not been rated, interest rates as applicable to the Category 'A' State Sector Borrowers would apply to such entities, till it is rated.
17. For corresponding quarterly rates, for rates at A above and Note no 9 above, and effective annualized interest rates, Annexure-B attached to this Loan Policy Circular may please be referred to.



REC Limited
Effective Interest Rates

Interest Rate		
On Monthly Rest (%)	Effective Interest Rate on Quarterly Rest (%)	Effective Annualize Rate (%)
8.00	8.05	8.30
8.25	8.31	8.57
8.35	8.41	8.68
8.45	8.51	8.79
8.50	8.56	8.84
8.60	8.66	8.95
8.65	8.71	9.00
8.70	8.76	9.06
8.75	8.81	9.11
8.85	8.92	9.22
8.90	8.97	9.27
8.95	9.02	9.33
9.00	9.07	9.38
9.10	9.17	9.49
9.15	9.22	9.54
9.20	9.27	9.60
9.25	9.32	9.65
9.35	9.42	9.76
9.40	9.47	9.82
9.45	9.52	9.87
9.50	9.58	9.92
9.65	9.73	10.09
9.75	9.83	10.20
9.90	9.98	10.36
10.00	10.08	10.47
10.15	10.24	10.64
10.25	10.34	10.75
10.40	10.49	10.91
10.50	10.59	11.02
10.65	10.74	11.19
10.75	10.85	11.30
10.90	11.00	11.46
11.00	11.10	11.57
11.15	11.25	11.74
11.25	11.36	11.85
11.40	11.51	12.01
11.50	11.61	12.13
11.65	11.76	12.29
11.80	11.92	12.46
11.90	12.02	12.57
12.05	12.17	12.74
12.30	12.43	13.02
12.55	12.68	13.30
12.80	12.94	13.58

F. Danyal