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PURCHASE  
HYDERABAD

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SUB REGISTRAR  
SUPERINTENDENT  
Ex. Office Stamp Vendor  
R.O. HYDERABAD

2,00,100

### DEED OF HYPOTHECATION

Loan Number: 37101002

**THIS DEED OF HYPOTHECATION** executed at Hyderabad on this 15<sup>th</sup> day of September Two Thousand and Seventeen;

**BY**

**TELANGANA STATE POWER GENERATION CORPORATION LIMITED.**(Cin No. **U40102TG2014SGC094070**) incorporated under Companies Act, 2013 having its Head/Registered Office at VidyutSoudha, Khairatabad, Hyderabad - 500082, hereinafter referred to "**the Borrower**"(which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the One part

**IN FAVOUR OF**

**POWER FINANCE CORPORATION LIMITED,**CIN L65910DL1986GOI024862) a Government Company incorporated under the Companies Act. 1956, having its Registered Office at 1, Barakhamba Lane, Connaught Place, New Delhi -110 001 (hereinafter referred to as the "**Corporation**" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the other part .

Ans


Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

## WHEREAS:

1. By a Memorandum of Agreement dated **15<sup>th</sup> September 2017**, between the Borrower and the Corporation along with Annexure thereto (hereinafter referred to as "**the Memorandum of Agreement**"), the Corporation has agreed to lend and advance to the Borrower and the Borrower has agreed to borrow from the Corporation on the terms and conditions contained in the Memorandum of Agreement a sum of Rs. 4009.00 Crores (Rupees Four Thousand and Nine Crores only) hereinafter referred to as "**the Loan**" or "**the Facility**" for the execution and implementation of 5 X 800 MW coal based Yadadri Thermal Power Station at Veerapalem village, Damaracherla Mandal in Nalgonda District, Telangana State(hereinafter referred to as "**the Project**").
2. One of the conditions of the said Memorandum of Agreement being that the Loan together with interest, penal interest, premia on prepayment or on redemption, costs, charges, expenses and all other monies as stipulated in the said Memorandum of Agreement shall be secured, inter alia first charge on Pari-passu basis by way of hypothecation in favour of the Corporation on all the Borrower's movable assets (save and except book debts) of 5 X 800 MW coal based Yadadri Thermal Power Station at Veerlapalem Village, Damaracherla Mandal in Nalgonda District, Telangana State, consisting of its movable plant & machinery, machinery spares, tools and accessories, fuel stock, spares and materials, plant turbine and other various equipment etc. including associated balance of plant equipment/ items and other movables, both present and future, and/or additional existing assets identified by the Borrower.
3. The Corporation has called upon and required the Borrower to execute these presents which the Borrower has agreed to do in the manner hereinafter expressed :


## NOW THEREFORE THESE PRESENTS WITNESSETH THAT:

- 1 In pursuance of the Memorandum of Agreement and in consideration of the Corporation having lent and advanced and/or agreed to lend and advance to the Borrower the Loan for the purposes and subject to the terms and conditions set out in the Memorandum of Agreement and in consideration of the premises, the Borrower doth hereby covenant with

  
Financial Advisor and Chief  
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the Corporation that it shall repay to the Corporation and shall pay all interest at the respective agreed rates, interest tax (if applicable), interest on unpaid interest, additional interest, interest tax, if any, premia on prepayment or on redemption etc. thereon and costs, charges, expenses, losses and all other moneys as stipulated and in the manner set out in the Memorandum of Agreement and shall duly observe and perform all the conditions of the Memorandum of Agreement.

2. In pursuance of the said Memorandum of Agreement and for the consideration aforesaid, all the movable assets of the Project (save and except book debts), consisting of its movable plant & machinery, machinery spares, tools and accessories, fuel stock, spares and materials, plant turbine and other various equipment's etc. including associated balance of plant equipment/ items and other movables, both present and future, (hereinafter collectively referred to as **"the said Materials"** short particulars whereof are given in the **Schedule I** hereunder written are hereby hypothecated by way of first charge on pari-passu basis to the Corporation as security for and be charged with the repayment to the Corporation of Principal amount of the Loan and repayment or payment of other moneys including interest, interest tax, if any additional interest, premia on prepayment or on redemption, costs, charges and expenses and all other moneys due to the Corporation under the Memorandum of Agreement.
3. In further pursuance of the said Memorandum of Agreement and for the consideration aforesaid, the Borrower doth hereby further agree, declare and covenant with the Corporation as follows :-
  - i. The Borrower shall at its expense keep the said Materials in marketable and good condition and insure the same in the joint names of the Borrower and the Corporation as provided in the Memorandum of Agreement against any loss or damage by theft, fire, lightning, earthquake, explosion, riot, strike, civil commotion, storm, tempest flood, marine risk, erection risk, war risk and such other risks as the Corporation shall from time to time require with an insurance company or companies. The Borrower shall deliver to the Corporation the relevant policy or policies of insurance duly assigned to the Corporation and maintain such insurance throughout the continuance of the security of these presents and deliver to the Corporation the renewal receipts thereof and shall duly and punctually pay all premia and shall not do or suffer to be done or omit to do or

  
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Controller of Accounts (Res) & CFO  
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be done any act which may invalidate or avoid such insurance. In default, the Corporation may but shall not be bound to keep in good condition and render marketable the said Materials and take out/renew such insurance. Any premium paid by the Corporation and any costs, charges and expenses incurred by the Corporation shall within 15 days of receipt of a notice of demand from the Corporation, be reimbursed to the Corporation together with interest thereon at the same rate as specified in the Memorandum of Agreement with quarterly/half yearly rests from the date of payment and until such reimbursement by the Borrower the same shall be debited to the Borrower's Loan account in accordance with its usual practice and be a charge on the said Materials.

- ii. The nominee of the Corporation shall, without any notice and at the risk and expense of the Borrower be entitled at all times to enter any place where the said Materials may be and inspect, value, insure superintend the disposal of and/or take particulars of all or any part of the said Materials and check any statement, accounts, reports and information.
- iii. In the event of any breach or default by the Borrower in the performance of its obligation hereunder or any of the terms, covenants, obligations and conditions stipulated in the Memorandum of Agreement and the related security documents and the deeds executed or that may hereafter be executed by the Borrower in favour of the Corporation or in the event of the Borrower failing to pay either the interest or any installment(s) of the principal amount of the Loan due to the Corporation or in the event of the charge and/or the security created in favour of the Corporation having become enforceable for any reason whatsoever, the Corporation or their nominees shall, in case such breach or default is not remedied by the Borrower to the satisfaction of the Corporation, within a period of fifteen days from the date of intimation by the Corporation of such breach or default or such extended time as may be granted by the Corporation in writing, without any notice and without assigning any reason and at the risk and expenses of the borrower and if necessary as attorney and in the name of the Borrower, be entitled to take charge and/or possession, or seize, recover, receive, appoint receiver of and remove them and/or sell by public auction or by private contract, dispatch or consign for realization or otherwise dispose of or deal with all or any part of the said material and to enforce, realize, settle, compromise and deal with any rights or


  
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HYDERABAD - 500 000




claims relating thereto, without being bound to exercise any of these powers or be liable for any losses in the exercise or non-exercise thereof and without prejudice to the Corporation's rights and remedies of suit or otherwise and notwithstanding that there may be pending any suit or other proceedings, the Borrower undertakes to give immediate possession to the nominee of the Corporation on demand of the said Materials and to transfer and to deliver to the Corporation all relative bills, contracts, securities and documents and the Borrower hereby agrees to accept the Corporation's account of sales and realization and sufficient proof of amounts realized and relative expenses and to pay on demand by the Corporation any shortfall or deficiency thereby shown provided however that the Corporation shall not be in any way liable or responsible for any loss, damage or depreciation that the said Materials may suffer or sustain on any account whatsoever whilst the same are in possession of the Corporation or by reason of exercise or non-exercise of rights and remedies available to the Corporation as aforesaid and that all such loss, damages or depreciation shall be wholly debited to the account of the Borrower howsoever the same may have been caused.

iv. The Corporation any time after the security hereby constituted has become enforceable and whether or not the Corporation shall then have entered into or taken possession of and in addition to these powers hereinbefore conferred upon the Corporation after such entry into taking possession of, may have a receiver or receivers appointed of the said Materials or any part thereof. The following provisions shall also apply such Receivers:-

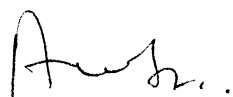
- a. Unless otherwise directed by the Corporation, such Receiver shall have and exercise all powers and authorities vested in the Corporation;
- b. Such Receiver shall, in the exercise of the powers, authorities and discretions, conform to the regulation and direction from time to time made and given by the Corporation;
- c. The Corporation may from time to time fix the remuneration of such Receiver and shall direct payment thereof out of the sale realization of the said Materials, but the Borrower alone shall be liable for the payments of such remuneration;
- d. The Corporation may from time to time and at any time require such Receiver to give security for the due performance of his duties as such Receiver and may fix the

  
Financial Advisor and Chief.  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

- nature and amount of the security to be given to the Corporation but the Corporation shall not be bound to require such security in any case;
- e. The Corporation may pay over to such Receiver any monies constituting part of the securities to the intent that the same may be applied for the purpose hereof by such Receiver and the Corporation may from time to time determine what funds the Receiver shall be at the liberty to keep in hand with a view to the performance of his duties as such Receivers;
  - f. Every such Receiver shall be the agent of the Borrower for all purposes and the Borrower alone shall be responsible for his acts and defaults, loss or misconduct and liable on any contract or engagement made or entered into by him and for his remuneration and the Corporation shall not incur any liabilities or responsibility therefore by reason of their making or consenting to his appointment as such Receivers;
- v. All the said Materials and all sale realizations and insurance proceeds thereof and all documents under this security shall always be kept distinguishable and held as the exclusive property of the Corporation specifically appropriated to this security and to be dealt with only under the directions of the Corporation, and the Borrower shall not create any charge, mortgage, lien or other encumbrance upon or over the same or any part thereof except in favour of the Corporation nor suffer any such charge, mortgage, lien or other encumbrance or any attachment or distress to affect the same or any part thereof nor do or allow anything that may prejudice this security and the Corporation shall be at liberty to incur all costs or expenses as may be necessary to preserve this security and to maintain the same undiminished and claim reimbursement thereof as mentioned in Sub-clause (i) hereof Provided that except to the extent specifically permitted by the Corporation, the Borrower shall not sell all or any of the said Materials Provided further that the Borrower shall on any and every such sale pay to the Corporation if so required by the Corporation the net proceeds of the sale or disposal in satisfaction so far as the same shall extend, of the moneys, due and payable by the Borrower to the Corporation. Provided further that the Borrower may without payment to the Corporation, if Corporation so agrees, replace the outmoded equipment by an equipment of equivalent or greater value.

  
Financial Advisor and Chief -  
Controller of Accounts (Res) & CFO.  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 002.

- vi. The Borrower shall, whenever required by the Corporation give full particulars to the Corporation of all the assets of the Borrower and of the said Materials and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Corporation and make, furnish and execute all necessary documents to give effect to this security.
4. This security shall be a continuing security for repayment of the Loan together with interest, penal interest, premia on prepayment or on redemption, cost, expenses, guarantee fee and all other moneys due to the Corporation under the Memorandum of Agreement and shall not affect, impair or discharge the liability of the Borrower by winding up voluntary or otherwise, or by any other company or takeover of the management of the Borrower.
5. The Borrower hereby declares that the said Materials are and will at all times be the absolute property of the Borrower at the sole disposal of the Borrower and subject to the charge or charges created and/or to be created with specific permission of the Corporation, free from any prior charge trust, pledge, lien, claim or encumbrance with full power of disposition over the same.
6. The Borrower hereby appoints the Corporation as its attorney and authorises the Corporation to act for and in the name of the Borrower to do whatsoever the Borrower may be required to do under these presents and generally to use the name of the Borrower in the exercise of all or any of the powers by these presents conferred on the Corporation and the Borrower shall bear the expenses that may be incurred in this regard.
7. Nothing herein shall prejudice the rights or remedies of the Corporation in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Borrower to the Corporation.
8. The provisions contained herein shall be read in conjunction with the provisions of the Memorandum of Agreement and to the extent of any inconsistency or repugnance the latter shall prevail to all intents and purposes.



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Controller of Accounts (Res) & CFO.  
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HYDERABAD - 500 082.

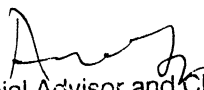
9. The Borrower shall have the particulars of charge registered with the Registrar of Companies (ROC) as per Section 77 of Companies Act, 2013, and shall submit a certificate from the ROC certifying the registration of charge.



Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
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HYDERABAD - 500 082.

## **SCHEDULE I ABOVE REFERRED TO**

Whole of the movable properties (save and except book debts) of the Borrower's Project (5 X 800 MW coal based Yadadri Thermal Power Station at Veerlapalem Village, Damarcherla Mandal in Nalgonda District, Telangana State, consisting of its movable plant & machinery, machinery spares, tools and accessories, fuel stock, spares and materials, plant turbine and other various equipments etc. including associated balance of plant equipment/ items and other movables, both present and future, (save and except book debts), of the Borrower, whether installed or not and whether now lying loose or in cases or which are not lying or stored in or about or shall hereafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the Borrower's factories, premises and godowns situated in Telangana State or wherever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order, or delivery, howsoever, and wheresoever in the possession of the Borrower and either by way of substitution or addition.

  
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

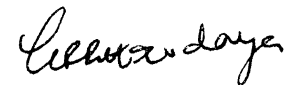
IN WITNESS WHEREOF the Borrower hath caused its common seal to be hereunto affixed the day, month and year first hereinabove written.

SIGNED AND DELIVERED BY:

The common seal of the within named  
TELANGANA STATE POWER GENERATION  
CORPORATION LIMITED has been hereunto  
affixed, pursuant to its Resolution passed in its  
25<sup>th</sup> meeting of its Board of Directors dated on the  
28<sup>th</sup> July , 2017, in the presence of Shri.  
\_\_\_\_\_Director( ) and Shri.  
\_\_\_\_\_Director( )and the  
Company Secretary of the Borrower who has  
subscribed their signatures hereto in token  
thereof.

Dated this 15<sup>th</sup> September of 2017

SIGNED AND DELIVERED BY



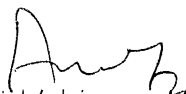
G.P.R. HRUDAYA  
Company Secretary  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.



DIRECTOR (THERMAL)  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.



DIRECTOR (FINANCE)  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.



Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.





తెలంగాణ తెలంగాణ TELANGANA

Tran Id: 240210155359846066  
Date: 10 FEB 2024, 03:55 PM  
Purchased By:  
VIJAY KUMAR  
S/o LACHAPPA  
R/o HYD  
For Whom  
TSGENCO

BE 538164  
KARANAM NAGARAJAMANI  
LICENSED STAMP VENDOR  
Lic. No. 16-11-046/1999  
Ren.No. 16-11-016/2023  
6-2-975, KUSHAL TOWERS,  
KHAIRATABAD, HYDERABAD  
Ph 9885096145

LOAN NO. 37101003

**MEMORANDUM OF AGREEMENT**

**BETWEEN**

**POWER FINANCE CORPORATION LIMITED**


**AND**

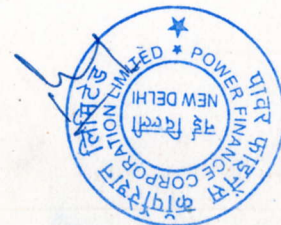
**TELANGANA STATE POWER GENERATION CORPORATION LIMITED**

**MEMORANDUM OF AGREEMENT**

This agreement is made at Hyderabad on the 12<sup>th</sup> Day of February 2024, BETWEEN **POWER FINANCE CORPORATION LIMITED**, A Government of India Undertaking, incorporated under the Companies Act 1956 with Corporate Identity Number L65910DL1986GOI024862 having its Registered Office at 'URJANIDHI Building', 1, Barakhamba Lane, Connaught Place, New Delhi - 110001 (hereinafter referred to as "**the Corporation or PFC**") which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns) **OF THE ONE PART**

**And**

  
Deputy Chief Controller of Accounts  
(Resources)  
Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.





**TELANGANA STATE POWER GENERATION CORPORATION LIMITED**, having its Corporate Office at Vidyut Soudha, Khairatabad, Telangana-500082 and having CIN No. U40102TG2014SGC094070 (hereinafter referred to "**the Borrower**" or **TSGENCO** which expression shall, unless it be repugnant to the subject or context thereof, include its successors or assigns) **OF THE OTHER PART.**

The Corporation and the Borrower mentioned above, as the context may require, may hereinafter individually be referred to as a "**Party**" and collectively as "**Parties**".

WHEREAS the Borrower has undertaken setting up of 5x800MW coal based Yadadri Thermal Power Station at Veerlapalem Village, Damaracherla Mandal in Nalgonda District, Telangana State (hereinafter referred to as "**the Project**").

AND WHEREAS the Borrower vide its letter no. FA&CCA(Res)/SAO(Loans)/D.No.150/15 dated 30<sup>th</sup> July, 2015 had made an application to the Corporation for grant of loan to be utilized for the execution and implementation of the said Project.

AND WHEREAS the Corporation had sanctioned and disbursed a loan of Rs. 4009.00 Crore (Rupees Four Thousand and Nine Crore only) ("**Original Term Loan**") for the purpose of execution of the said Project in terms of Memorandum of Agreement dated 15<sup>th</sup> September, 2017.

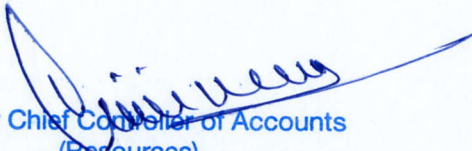
AND WHEREAS the Borrower vide its letter no. TSGENCO/Dy.CCA(Res)/Sao(Loans)/D.No.12/23 dated 15<sup>th</sup> April 2023 has made an application to the Corporation for grant of additional loan for funding cost overrun for implementation of the Project.

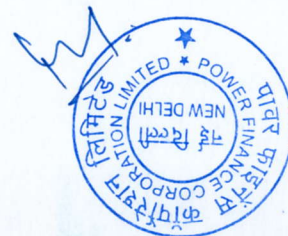
AND WHEREAS the Corporation has sanctioned an additional term loan vide its letter No: 03/30/Telangana/TSGENCO/Yadadri TPS/37101003/D.No.084294 dated 04.10.2023 ("**Sanction Letter**") of Rs. 7037 Cr. (Rupees Seven Thousand Thirty Seven Crore Only) ("**Additional Term Loan**") to the Borrower towards meeting cost overrun on the terms and conditions set out in the Sanction Letter and hereunder written.

AND WHEREAS the Borrower has by its Resolution dated 13<sup>th</sup> day of November, 2023 passed at a meeting of its Borrowings Committee, has agreed to accept the said additional term loan on the said terms and conditions and subsequent amendments, if any.

AND WHEREAS according to one of the conditions of the loan the Borrower is required to furnish a guarantee from the State Government ("**Guarantee**") for due repayment by the Borrower of the loan along with applicable interest, interest tax, service charges, payment of commitment charges, if any, additional interest, if any, and costs, charges, expenses, applicable taxes, statutory duties and other money etc. or any other additional amount(s) that become payable under this Agreement and State Government shall execute the Guarantee in the form prescribed by the Corporation for the purpose (with Direct Debit Mandate).

OR

  
Deputy Chief Controller of Accounts  
(Resources)  
Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.





The loan together with all interest (including additional interest), costs, expenses, applicable taxes, statutory duties and other monies shall be secured, on pari-passu basis with other lenders of the Project, with the prescribed coverage ratio (presently 1.1 times) applicable in case of TSGENCO by:

- a) Extension of first charge by way of hypothecation on moveable assets hypothecated for Original Term Loan (PFC's loan no. 37101002 to TSGENCO) in favour of PFC;
- b) Extension of mortgage over the immoveable assets mortgaged for PFC's loan no. 37101002 to TSGENCO on the first charge basis in favour of PFC;
- c) A first charge by way of hypothecation of book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, etc. pertaining to the Project for the Original Term Loan and Additional Term Loan.

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.

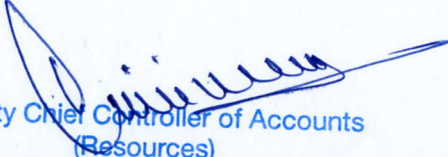
AND WHEREAS according to one of the conditions of the Loan, the Borrower is required to revise/enhance an Escrow Account in the bank to ensure debt servicing of principal, interest and other charges for the entire pendency of the Loan with the prescribed coverage ratio (presently 1.1 times) of the portion loan amount applicable in case of the Borrower to the satisfaction of the Corporation.

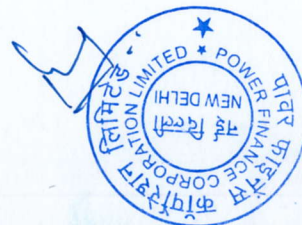
#### **ADDITIONAL SECURITY:**

AND WHEREAS according to one of the condition of the sanction 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

#### **NOW IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO as follows:-**

1. The Corporation will lend and advance to the Borrower the sum Rs. 7037 Cr. (Rupees Seven Thousand Thirty Seven Crore Only) on the terms and conditions set out in the Sanction Letter and any amendments/ corrigendum thereafter and on the terms and conditions herein set out. The said letter shall form part of this Agreement as **Annexure - I** as if fully set forth hereunder and all the terms and conditions set out in the said letter will be binding on the Borrower.
2. The Borrower shall repay to the corporation the amount of the said loan with service charges, statutory duties, charges, additional interest, and cost, charges, expenses, losses and other moneys and interest thereon in accordance with the terms and conditions set out in that behalf in the Sanction Letter and any amendments/ corrigendum thereafter.
3. The Borrower shall make all payments of principal, service charges, statutory duties, charges, interest, interest on additional interest, liquidated damages, interest on unpaid interest and other expenses etc. to the Corporation at its registered office at New Delhi.

  
Deputy Chief Controller of Accounts  
(Resources)  
Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.





4. The Borrower shall utilize the Additional Term Loan for establishment of the Project and shall also adhere to and comply with all such amendments thereto as are approved by the Corporation.
5. The Borrower agrees and undertakes to complete the work in the manner and according to the time schedule envisaged in terms and conditions of Sanction Letter.
6. The Borrower shall implement the said Project and shall also adhere to and comply with all such amendments thereto as are approved by the Corporation.
7. The Borrower has represented to and assured the Corporation that the loan applied for and being granted by the Corporation to the Borrower is within the borrowing powers of the Borrower in accordance with the laws and bylaws applicable to it and all formalities required by the laws and bye-laws and rules regulating the work and conduct of the Borrower in respect of such borrowing have been fully complied with.
8. The Borrower confirms that it has made payments in full of installments of principal and other amounts due in respect of loans sanctioned earlier by the Corporation to the Borrower(if applicable).
9. The Borrower has agreed to create and perfect securities, within 3 (three) months from the date of 1<sup>st</sup> disbursement, for the loan:

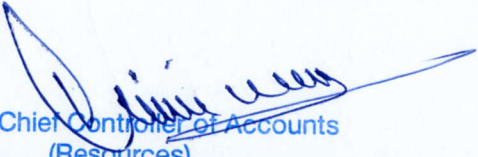
**Security:**

The Borrower shall create Security by furnishing a continuing, unconditional and irrevocable guarantee from State Government ("**Guarantee**") for due repayment by the Borrower of the Additional Term Loan along with applicable interest, interest tax, service charges, payment of commitment charges, if any, additional interest, if any, and costs, charges, expenses, applicable taxes, statutory duties and other money etc. or any other additional amount(s) that become payable under this Agreement and State Government shall execute the Guarantee in the form prescribed by the Corporation for the purpose (with Direct Debit Mandate).

OR

The Additional Term Loan together with all interest (including additional interest), costs, expenses, applicable taxes, statutory duties and other monies shall be secured, on pari-passu basis with other lenders of the Project, with the prescribed coverage ratio (presently 1.1 times) applicable in case of TSGENCO by:

- a) Extension of first charge by way of hypothecation on moveable assets hypothecated for Original Term Loan (PFC's loan no. 37101002 to TSGENCO) in favour of PFC;
- b) Extension of mortgage over the immoveable assets mortgaged for PFC's loan no. 37101002 to TSGENCO on the first charge basis in favour of PFC;
- c) A first charge by way of hypothecation of book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, etc. pertaining to the Project for the Original Term Loan and Additional Term Loan.

  
Deputy Chief Controller of Accounts  
(Resources)  
Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.





AND

The Borrower shall revise/enhance an Escrow Account in the bank to ensure debt servicing of principal, interest and other charges for the entire pendency of the Loan with the prescribed coverage ratio (presently 1.1 times) of the portion loan amount applicable in case of the Borrower to the satisfaction of the Corporation.


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.

**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.

In case where, the borrower fails to create all securities as per terms of sanction by the stipulated date, Corporation shall charge an additional interest on the outstanding loan amount at the prevailing rate (presently)

- a) Additional interest of 0.5% p.a) from the date of expiry of the stipulated period allowed(as per the terms of sanction) for creation of mortgage, till the time the security is created in favour of PFC.
- b) Additional Interest shall, however, not to be charged in case 'Substantial Security' for the loan has been created;  
Substantial Security is defined as:
  - Mortgage of at least 80% of land necessarily including main plant land and
  - Creation of all other securities as per terms of sanction.
- c) In case of complete security (not only Substantial Security) as per terms of sanction not being created within 2 years from the date of creation of 'Substantial Security', additional interest of 0.25% p.a. shall be charged on the total outstanding amount, from expiry of foregoing timeline till creation of complete security.
- d) In case the disbursement against the loan increases beyond 75% of the loan amount and entire security as per terms of sanction has still not been created, additional interest of 0.5% p.a shall be levied on the amount outstanding, from the date of disbursement against the loan exceeds 75% limit.

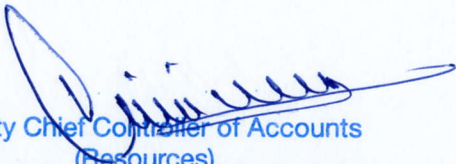
**Registration of charge:** The Borrower shall have the particulars of charge registered with the Registrar of companies (ROC) as per the Companies Act within stipulated time, and shall submit a certificate from the ROC certifying the registration of charge.

  
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(Resources)  
Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.





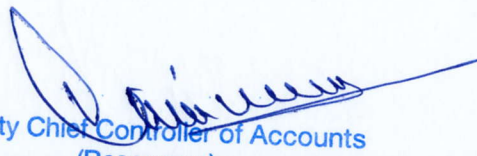
10. The Borrower shall provide the escrow coverage 1.1 times in favour of the Corporation and to the satisfaction of the Corporation for the entire duration of repayment of the loan.
11. The Borrower shall furnish to the Corporation such periodical returns of its workings and with regard to the utilisation of the amount of the loan and the progress of the projects as may be required by the Corporation.
12. The Borrower shall make available for the inspection of the Corporation all its books of account and other books and documents maintained by it and/or required to be maintained by it under any law, by-laws or rules of the Borrower and allow all facilities to the Corporation or any persons authorized by it for the purpose of carrying out such inspection. The Corporation shall have the right to inspect the projects and all the books of account, records and documents relating thereto at any time.
13. The Borrower agrees and undertakes to execute, sign, seal and deliver all documents, papers, acknowledgements and other writings as may be required by the Corporation at any time during the pendency of this Agreement, more fully and effectively securing the moneys due and payable or to become due and payable by the borrower to the Corporation in terms of these presents.
14. The Borrower must be and continue to be the owner and in physical possession of the projects at the time of disbursement of each installment of loan amount and till all the moneys due to the Corporation are fully liquidated by the Borrower.
15. The Borrower shall not transfer or abandon the projects at any stage without written consent of the Corporation. In case at any stage or on a future date, the projects is proposed to be transferred to any other organization or to be abandoned, the entire outstanding (e.g. principal, service charges, interest, Statutory Duties, charges, additional interest, interest on additional interest, etc.) due from the Borrower shall be paid to the Corporation before any such transfer is affected.
16. The Borrower hereby undertakes that :
  - (a) 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 Authorised Signatories as per KYC Policy of PFC;
  - (b) the approval of TSERC to the proposed investment in the Project would be obtained and the same shall be submitted to PFC;
  - (c) any response from TSERC in regard to proposed investment in the Project would be intimated to PFC in due course;
  - (d) in case entire investment in the Project covered in this Additional Term Loan is not approved by TSERC, the loan amount shall be reduced proportionately;
  - (e) it shall obtain/renew clearances, as applicable, during implementation and operation of the Project;
  - (f) it shall comply with NGT order dated 30.09.2022 and conditionalities specified in revised MoEF&CC clearance, as applicable;

  
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Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.





- (g) in case of non-disbursal of funds at any time due to non-availability of PFC's exposure to TSGENCO, it will infuse funds into the Project from its own sources, as and when required, for smooth implementation of the Project;
  - (h) It shall submit no objection certificate (NOC) from other lenders to the Project for extension of first charge by way of hypothecation and mortgage for the Additional Term Loan and including hypothecation of the book debts/receivables of the Project for the Original Term Loan and Additional Term Loan of the Project within 3 (three) months from first disbursement;
  - (i) It agrees that disbursement into the Project shall be restricted to existing exposure available to TSGENCO viz. Rs. 4803 crore and in case disbursement beyond Rs. 4803 crore is to be availed the same shall be subject to availability of additional exposure as per RBI norms or submission of state government guarantee for an amount upto which disbursement is required;
  - (j) Any change in its pattern of ownership including shareholding agreement shall be subject to prior written approval of PFC. Under such cases, PFC reserves the right to take necessary measure for safeguarding the interest of PFC and to stipulate additional conditions including but not restricted to rate of interest, additional security, collateral etc.
  - (k) It will comply with all the provisions of public procurement (preference to Make in India) order dated 04/06/2020 or any amendments thereof.
17. The Borrower shall pay, or cause to be paid, all Taxes (including stamp duties), duties, fees, or other charges payable on or in connection with the execution, issue, delivery, registration, or notarization, or for the legality, validity, or enforceability, of this Agreement, Deed of Hypothecation, mortgage and any other documents related to this Agreement. In case the Corporation has to pay that, the Borrower agrees to reimburse the same to the Corporation within 30 days to the Corporation raising the demand. On the Borrower's failure to pay/reimburse, the Corporation shall be entitled to claim interest thereon at the prevailing rate of interest applicable to the loan at that time.
  18. In the event of a default on the part of the Borrower or any breach of the terms and conditions of these presents, the Borrower shall be liable to pay to the Corporation all costs, charges and expenses incurred/to be incurred by the Corporation in connection with the negotiations for the Agreement and in respect of the Agreement including legal expenses incurred for realization/recovery of the outstanding dues.
  19. The Corporation shall without prejudice to its other rights and remedies be entitled to recall the loan at any time before the due date for repayment thereof, if the Borrower fails to fulfill its obligations under this Agreement and/or in the event of its committing a breach of any of the terms thereof. The decision of the Chairman and Managing Director of the Corporation as to whether a breach of the terms of this Agreement has been committed by the Borrower or not shall be final and binding on the Borrower.
  20. The Borrower agrees and undertakes that it shall clear all outstanding dues of PFC .
  21. Every notice, demand request, consent, approval, waiver or agreement to be given or made hereunder shall, save as otherwise herein specifically provided, be in writing and in the English Language and shall be delivered by hand or sent by mail (Registered Post) or by telex or cable and shall be deemed to have been given and received, if delivered by hand, upon delivery, if sent by mail, the 3rd day (excluding Saturday, Sunday

  
 Deputy Chief Controller of Accounts  
 (Resources)  
 Telangana State Power Generation Corporation Ltd.  
 Vidyut Soudha, Hyderabad - 82.



and other closed days) following the date of mailing, and, if sent by telex or cable, the 2nd day (excluding Saturday, Sunday and other closed days) following the date of transmission. The mailing address, telex number and cable address of the borrower and the Corporation for purposes shall respectively be :

For the Corporation:-.

**POWER FINANCE CORPORATION LIMITED.**

"Urjanidhi"

1, Barakhamba Lane, Connaught Place,  
New Delhi -110 001.


for the Borrower:-

**TELANGANA STATE POWER GENERATION COMPANY LIMITED**

Vidyut Soudha, Khairatabad  
Hyderabad- 500082

or such other mailing or cable address or telex number as to which the Borrower or the Corporation may, for itself, from time to time notify the other as aforesaid.

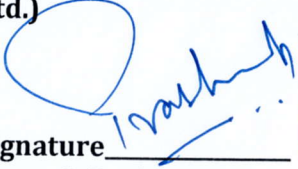


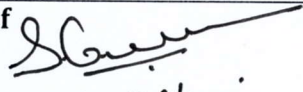
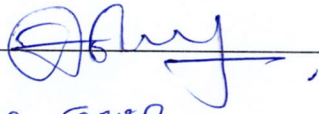
22. This agreement is executed at Hyderabad and loan will be advanced by the Corporation to the Borrower in New Delhi and repayable by the Borrower to the Corporation and the parties agree that the Courts, including Debt Recovery Tribunal in Delhi / New Delhi alone shall have exclusive jurisdiction to entertain any suit, application or matter arising out of this Agreement. Further, the Borrower agrees that in case of any dispute/differences relating to the agreement, the Corporation has the liberty to approach Permanent Machinery of Arbitration (PMA) as per the guidelines issued by Ministry of Heavy Industries & Public Enterprises, Department of Public Enterprise vide its OM No F. No. 4(1)/2013-DPE(PMA)/FTS-1835 dated 11th April 2017.

  
Deputy Chief Controller of Accounts  
(Resources)  
Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.





IN WITNESS whereof the parties hereto have executed these presents the day, month and year first herein written.

<p><b>SIGNED AND DELIVERED BY</b> <b>(On behalf of Power Finance Corporation Ltd.)</b></p> <p>Signature </p> <p><b>Name &amp; Designation</b> <b>Prashant Awasthi</b> <b>Deputy Manager (L&amp;D)</b> <b>Address: Power Finance Corporation Limited, "Urjanidhi", Barakhamba Lane, Connaught Place, New Delhi - 110 001.</b></p> 	<p><b>SIGNED &amp; DELIVERED BY</b> <b>(On behalf of APGENCO)</b></p> <p>Signature </p> <p><b>Name &amp; Designation:</b> <b>Vijay Kumar, Deputy Chief Controller of Accounts</b> <b>Dy.CCA(Resources) (Resources)</b> <b>Address: TSGENCO Telangana State Power Generation Corporation Ltd.</b> <b>Vidyut Soudha Vidyut Soudha, Hyderabad - 82.</b> <b>Hyderabad-500082</b> <b>Telangana</b></p>
<p><b>In the presence of</b> </p> <p><b>Name</b> <b>S. Vijayalakshmi</b> <b>Designation:</b> <b>FA&amp;CCA (Res)</b></p> <p><b>TSGENCO</b> <b>Vidyut Soudha</b> <b>Hyderabad-500082</b> <b>Telangana</b></p>	<p><b>In the presence of</b> </p> <p><b>Name</b> <b>B. ESTHVAR GOUD</b> <b>Designation</b> <b>Sr. Accounts Officer</b></p> <p><b>TSGENCO</b> <b>Vidyut Soudha</b> <b>Hyderabad-500082</b> <b>Telangana</b></p>



एक महारत्न कंपनी



आज़ादी का  
अमृत महोत्सव

# पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)  
(आई.एस.ओ. 45001:2018 प्रमाणित)

(A Govt. of India Undertaking)  
(ISO 45001:2018 Certified)

**Loan No. 37101003**

**Speed Post/ Courier**

No. 03/30/Telangana/TSGENCO/Yadadri TPS/37101003/D.No.084294

Date: 04.10.2023

To,

Sri D Prabhakar Rao,

Chairman & Managing Director,

Telangana State Power Generation Corporation Limited (TSGENCO),

Vidyut Soudha, Khairatabad,

Hyderabad- 500082

**Sub: Loan No. 37101003: Telangana State Power Generation Corporation Limited (TSGENCO)**  
– Sanction of additional loan for funding cost overrun for implementation of 5X800 MW  
Coal Based Yadadri Thermal Power Station at Nalgonda District in the state of Telangana

**Ref: TSGENCO's letter no. TSGENCO/Dy.CCA(Res)/SAo(Loans)/D.No.12/23 dated 15.04.2023**

Dear Sir,

With reference to your letter referred above regarding financial assistance for sanction of additional loan for funding cost overrun for implementation of 5X800 MW Coal Based Yadadri Thermal Power Station at Nalgonda District in the state of Telangana, involving total estimated cost of Rs. 34542.95 crore, PFC is pleased to advise that we are generally agreeable to advance a loan of **Rs. 7037.00 crore (Rupees Seven Thousand and Thirty Seven Crore only)** including funding of IDC for this project under **Loan no. 37101003**.

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 TSGENCO.

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 policy applicable:

**A. Documents required at the time of execution/signing of loan documents (to be submitted to Legal & Documentation (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



पंजीकृत कार्यालय "ऊर्जा निधि", 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली-110001

Regd. Office: "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001

दूरभाष / Phone: 011-23456000 फैक्स / Fax: 011-23412545

वेबसाइट / Website: www.pfcindia.com

CIN: L65910DL1986CO00024862  
Deputy Chief Controller of Accounts (Resources)

Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.

*Signature*



भारत 2023 INDIA



- 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. Quarter-wise drawal schedule.


**B. Documents required at the time of disbursement of loan:**

1. Tripartite Escrow Agreement in the prescribed format.
2. Security Documents in the prescribed format for creation of charge on assets.
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,

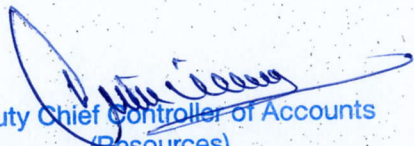
Yours sincerely,  
**for POWER FINANCE CORPORATION LTD.**

  
(Nitin Garg)  
DGM (Projects - SR)

**Copy to:**

- i. ED (EA-I), PFC
- ii. CGM (Loan Disbursement), PFC
- iii. CGM (Loan Recovery), PFC
- iv. CGM (L&D), PFC

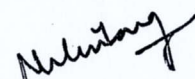


  
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Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.



**TERMS AND CONDITIONS OF SANCTION OF RUPEE TERM LOAN NO. 37101003**

<b>1.0</b>	<b>AGREEMENT:</b>
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.
<b>2.0</b>	<b>VALIDITY PERIOD OF SANCTION:</b>
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.
<b>3.0</b>	<b>RATE OF INTEREST:</b>
3.1	<p>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 11.50% p.a on quarterly rests and reset period of 3 years for generation projects of A+ State Sector Borrower), 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.</p> <p>The instalment of interest and tax, if any, will be payable <b>quarterly</b> on the 15<sup>th</sup> day of <b>April, 15<sup>th</sup> day of July, 15<sup>th</sup> day of October and 15<sup>th</sup> day of January every year</b>, 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. 14<sup>th</sup> 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.</p>
3.2	<p>Interest Reset: Notwithstanding anything herein above, the Corporation shall have a right to reset the rate of interest, at its discretion, from third year beginning with the date of first disbursement.</p> <p>Methodology for resetting i.e. determination of amount to be reset, reset date etc. shall be as applicable from time to time.</p>
<b>4.0</b>	<b>DRAWAL SCHEDULE:</b>
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 1 <sup>st</sup> and ending March 31 <sup>st</sup> and, the quarters being three months period beginning from 1 <sup>st</sup> April, 1 <sup>st</sup> July, 1 <sup>st</sup> October and 1 <sup>st</sup> January of the year. The borrower will be required to draw the entire amount of committed funds in the respective quarters.
<b>5.0</b>	<b>REPAYMENT OF LOAN:</b>






5.1	The loan shall be repaid by the Borrower in <b>60 (sixty) equal quarterly instalments on April 15, July 15, October 15 &amp; January 15 (each as "repayment date")</b> of each year commencing on the first repayment date i.e. <b>15<sup>th</sup> January 2026</b> .
<b>6.0</b>	<b>ALL PAYMENTS TO BE REALISABLE AT PAR IN NEW DELHI:</b>
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.
<b>7.0</b>	<b>SHIFTING OF DUE DATE OF PAYMENT OF INSTALMENT:</b>
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.
<b>8.0</b>	<b>APPROPRIATION OF AMOUNT PAID BY THE BORROWER:</b>
8.1	The amount paid by the Borrower shall be appropriated in the order of occurrence of dues in the following order: <ul style="list-style-type: none"> <li>a) Costs, charges, expenses, applicable taxes, statutory duties and other moneys;</li> <li>b) Interest on costs, charges, expenses, losses, applicable taxes, statutory duties and other moneys;</li> <li>c) Additional Interest;</li> <li>d) Commitment Charges, if any;</li> <li>e) Interest/ tax if any;</li> <li>f) Repayment of principal in the order of the occurrence of the dues; and lastly;</li> <li>g) Prepayment of principal.</li> </ul>
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	<u>Appropriation of instalment of principal payment</u> 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.
<b>9.0</b>	<b>PRE-PAYMENT OF LOAN:</b>
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.
<b>10.0</b>	<b>DRAWL &amp; UTILISATION OF LOAN AND COMPLETION OF PROJECT:</b>
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. <b>30<sup>th</sup> June 2025 (scheduled Date of Commencement of Commercial Operation, DCCO)</b> or such other date as may be agreed to by the Corporation.
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 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 <b>31<sup>st</sup> December 2025</b> or such other date as may be agreed to by the Corporation.
10.11	Claims for expenditure incurred from <b>01.06.2015</b> will be admissible against this loan.
<b>11.0</b>	<b>TRANSFER AGREEMENTS IN CASE OF STRUCTURING OF SEBS/STATE POWER UTILITIES:</b>
	Not Applicable
11.1	Not Applicable
<b>12.0</b>	<b>GUARANTEES &amp; SECURITIES:</b>
12.1	The loan shall be guaranteed fully, unconditionally and irrevocably either by the State Government in respect of repayment of principal, payment of interest/service charges thereon, payment of commitment charges, if any, additional interest, if any, and costs, charges, expenses, applicable taxes, statutory duties and other money and the State



*[Signature]*  
Deputy Chief Controller of Accounts  
(Resources)

Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.

*[Signature]*



	<p>Government as aforesaid shall execute the Guarantee Deed/Guarantee Bond in the form prescribed by the Corporation for the purpose (with Direct Debit Mandate).</p> <p><b>OR</b></p> <p><b>CHARGE ON ASSETS:</b></p> <p>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 Telangana State Power Generation Corporation Limited (TSGENCO) by</p> <ol style="list-style-type: none"> <li>Extension of first charge by way of hypothecation on movable assets hypothecated for PFC's Loan No. 37101002 to TSGENCO in favour of PFC</li> <li>Extension of mortgage over the immovable assets mortgaged for PFC's Loan No. 37101002 to TSGENCO on first charge basis in favour of PFC.</li> <li>A first charge by way of hypothecation of book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, etc., pertaining to the Project for the current loan as well as PFC's Loan No. 37101002 to TSGENCO.</li> </ol> <p>The mortgage and charge referred to above shall rank pari-passu with the mortgages and charges created and/or to be created in favour of other lenders of the Project.</p> <p>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.</p> <p><b>II Creation of additional security:</b> 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.</p> <p><b>III Registration of charge:</b> 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.</p>
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 Telangana State Power Generation Corporation Limited (TSGENCO) to the satisfaction of the Corporation.
12.3	<p>In cases, where the borrower fails to create all securities as per terms of sanction by the stipulated date, the Corporation shall charge an additional interest on the outstanding loan amount at the prevailing rate (presently 0.5% p.a.) from the date of expiry of the stipulated period allowed (as per terms of sanction) for creation of mortgage till the time the security is created in favour of PFC. The additional interest however shall not be charged in case substantial security for the loan has been created. Substantial security is defined as:</p> <ul style="list-style-type: none"> <li>Mortgage of at least 80% of land necessarily including main plant land and</li> <li>Creation of all other securities as per terms of sanction</li> </ul>





	<p>In case of complete security (not only substantial security) as per terms of sanction not being created within 2 years from the date of creation of 'Substantial Security', additional interest of 0.25% p.a. shall be charged on the total outstanding amount, from expiry of foregoing timeline till creation of complete security.</p> <p>In case the disbursement against the loan increases beyond 75% of the loan amount and entire security as per terms of sanction has still not been created, additional interest of 0.5% p.a shall be levied on the amount outstanding, from the date the disbursement against the loan exceeds 75% limit.</p> <p><b><u>Timeline for Creation of Security</u></b></p> <p>Entire security shall be created and perfected within three months from first disbursement.</p>
<b>13.0</b>	<b>ADDITIONAL INTEREST IN CASE OF DELAY IN PAYMENT/LIABILITY TOWARDS ADDITIONAL CHARGES/COSTS ETC:</b>
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	<p>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:</p> <ol style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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; <u>and</u></li> <li>No rebate shall be given in additional interest in case of default of over three months.</li> </ol>
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.
<b>14.0</b>	<b>DEFAULTS:</b>
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
<b>15.0</b>	<b>SUPERVISION AND MONITORING:</b>
15.1	<p>The Corporation would monitor the progress of project/scheme financed by it. In this respect:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol> <p>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.</p>
<b>16.0</b>	<b>MAINTENANCE OF ACCOUNTS AND AUDIT:</b>
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.
<b>17.0</b>	<b>STATE GOVT. LOAN/BUDGETARY SUPPORT:</b>



Deputy Chief Controller of Accounts  
(Resources)  
Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.

*Signature*



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.
<b>18.0</b>	<b>SALE/ TRANSFER/ ABANDONING OF THE PROJECT BY THE BORROWER:</b>
18.1	a) 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 installment of loan amount and till all the moneys due to the Corporation are fully liquidated by the Borrower. b) 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.
<b>19.0</b>	<b>RIGHT TO ASSIGN/TRANSFER THE LOAN TO OTHER FIS, BANKS &amp; ARCS:</b>
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.
<b>20.0</b>	<b>MISCELLANEOUS PROVISIONS:</b>
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
20.9	The Borrower shall execute the financing and the security documents in the format prescribed by the Corporation.
20.10	The Borrower shall submit an undertaking stating that it will comply with all the provisions of Public Procurement (Preference to Make in India) order dated 04/06/2020 or any amendments thereof.
<b>21.0</b>	<b>Pre-Commitment Conditions:</b>
21.1	Borrower shall become KYC Compliant with PFC's KYC policy before execution of the loan agreement between the Borrower and PFC.



Deputy Chief Controller of Accounts  
(Resources)

Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.

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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	TSGENCO shall submit an undertaking that the approval of TSERC to the proposed investment in the project would be obtained and the same submitted to PFC.
21.4	TSGENCO shall submit an undertaking that any response from TSERC in regard to proposed investment in the project would be intimated to PFC in due course.
21.5	TSGENCO shall submit an undertaking that in case entire investment in the project covered in this loan is not approved by TSERC, the PFC loan amount shall be reduced proportionately.
21.6	TSGENCO shall submit an undertaking to obtain / renew clearances, as applicable, during implementation & operation of the project.
21.7	TSGENCO shall submit an undertaking to comply with NGT order dated 30.09.2022 and conditionalities specified in revised MoEF&CC clearance, as applicable.
21.8	TSGENCO shall submit an undertaking that in case of non-disbursal of funds at any time due to non-availability of PFC's exposure to TSGENCO, it will infuse funds into the project from their own sources, as and when required, for smooth implementation of project.
21.9	TSGENCO shall undertake to submit NOC from other lenders to the Project for extension of first charge by way of hypothecation and mortgage for the Cost Overrun loan and including hypothecation of the Book Debts/Receivables of the Project for the Existing PFC loan as well as Cost Overrun Loan of the Project within three months from first disbursement.
21.10	TSGENCO shall submit an undertaking to agree that disbursement into the project shall be restricted to existing exposure available to TSGENCO viz. Rs. 4803 crore and in case disbursement beyond Rs. 4803 crore is to be availed the same shall be subject to availability of additional exposure as per RBI norms or submission of State Government Guarantee for an amount upto which disbursement is required.
<b>22.0</b>	<b>Pre-disbursement Conditions</b>
22.1	Disbursement of cost overrun funding of Rs. 7037.00 crore shall be subject to TSGENCO bringing in their entire share of cost overrun equity. For this purpose, TSGENCO shall submit a certificate from Managing Director / Director (Finance) that entire Cost Overrun Equity aggregating to Rs. 2406.53 crore has been infused in the Project before seeking disbursement for the cost-overrun part from PFC.
<b>22.0</b>	<b>Other Conditions</b>
22.1	TSGENCO shall submit a revised letter of comfort for the entire Forest Land utilized for implementation of the project /acknowledgement from issuing agency, regarding applicability of letter of comfort for the additional loan for cost overrun funding sanctioned by PFC within 3 months from date of first disbursement.
22.2	TSGENCO shall submit NOC from other lenders to the Project for extension of first charge by way of hypothecation and mortgage for the Cost Overrun loan and including hypothecation of the Book Debts/Receivables of the Project for the Existing PFC loan as well as Cost Overrun Loan of the Project within three months from first disbursement.
22.3	Reimbursement of expenditure shall be permissible from 01.06.2015.
22.4	TSGENCO shall have valid Environment Clearance (EC) by 30.06.2024 for 5x800 MW Yadadri TPS. The disbursement shall be restricted to 50% of additional loan amount for funding cost overrun, till valid EC is obtained.



Deputy Chief Controller of Accounts  
(Resources)  
Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.

*Signature*

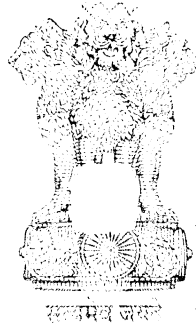


22.5	Disbursement into the project shall be restricted to existing exposure available to TSGENCO viz. Rs. 4803 crore and in case disbursement beyond Rs. 4803 crore is to be availed the same shall be subject to availability of additional exposure as per RBI norms or submission of State Government Guarantee for an amount upto which disbursement is required.
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*N. Srinivas*  
DGM (Projects-SR), PFC.



*[Signature]*  
Deputy Chief Controller of Accounts  
(Resources)  
Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Hyderabad - 82.



INDIA

తెలంగాణ తెలంగాణ TELANGANA

S.No.....21142 Date.....14/9/2017 Rs.....100/-  
Purchaser.....E.....Anuradha.....  
S/W/D/o.....D/O Late E.S.Sastory  
For Whom.....M/s.: TSGenco.

plotted

H 479324  
K. NAGARAJAMANI  
Licenced Stamp Vendor  
LIC:16-11-46/99, Ren.No.16-11-16/2017  
# 59/A, Kushal Towers, Khairatabad,  
Hyderabad (South) District.  
Ph.No. : 9848299475

MEMORANDUM OF AGREEMENT  
BETWEEN  
POWER FINANCE CORPORATION LIMITED  
AND  
TELANGANA STATE POWER GENERATION CORPORATION LIMITED.

MEMORANDUM OF AGREEMENT

Loan number: 37101002

This agreement is made at Hyderabad the 15th day of September, 2017 between **POWER FINANCE CORPORATION LIMITED**, (CIN L65910DL1986GOI024862) a Government Company incorporated under the Companies Act. 1956, having its Registered Office at 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001 (hereinafter referred to as the "**Corporation**" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the one part.

And

**TELANGANA STATE POWER GENERATION CORPORATION LIMITED**, (CIN No. U40102TG2014SGC094070) incorporated under Companies Act, 2013 having its Head/Registered Office at VidyutSaudha, Khairatabad, Hyderabad - 500082 (hereinafter referred to the "**Borrower**" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the other Part.

Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

मनीज शर्मा ANOJ SHARMA  
महाप्रबन्धक (वित्त) / General Manager (L&D)  
पावर फाइनेंस लि. / P.F.C Ltd.  
"ऊर्जानिधि", 1, बारखम्बा लाने, कनॉUGHT प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001



WHEREAS the Borrower has undertaken setting up of 5 X 800 MW coal based **Yadadri Thermal Power Station at Veerlapalem Village, Damaracherla Mandal in Nalgonda District, Telangana State** (hereinafter referred to as "**the Project**").

AND WHEREAS the Borrower's by its letter no. **FA&CCA/Dy.CCA(Res)/SAO (Loans)/D.NO.150/15 dated 30<sup>th</sup> July, 2015**, has made an application to the Corporation for grant of a loan to be utilized for the execution and implementation of the said Project.

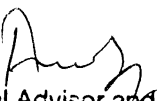
AND WHEREAS the Corporation has sanctioned a loan of Rs. **4009.00 Crores** (Rupees Four Thousand and Nine Crores only) to the Borrower for the purpose of the execution of the said Project on the terms and conditions contained in the Corporation's Sanction Letter No. 03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/DNo.033023, dated 13<sup>th</sup> October, 2015, and 03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/DNo.036840 09/03/2016 and 03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/DNo. 048858 dated 13/06/2017 and 03/SR/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/D.No. Dt.14.09.17 to the Borrower conveying sanction of the loans and on the terms and conditions set out in the said letters and hereunder written.

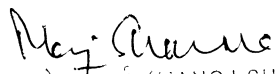
AND WHEREAS the borrower has by its Resolution passed in its 25th meeting of its Board on 28.07.2017, has agreed to accept the said loan on the said terms and conditions.

AND WHEREAS according to one of the conditions of the loan, the loan shall be guaranteed by the Borrower fully, unconditionally and irrevocably either by State Government in respect of repayment of principal, payment of interest/service charges thereon, payment of commitment charges, if any, additional interest, if any and costs, charges, expenses, losses, applicable taxes, statutory duties and other monies and the State Government as aforesaid shall execute the Guarantee Deed/Guarantee Bond in the form prescribed by the Corporation for the purpose.

OR

AND WHEREAS the Borrower has to secure the loan by a first Charge by way of Mortgage by a first charge on pari-passu basis, in favour of the Corporation in a form satisfactory to the Corporation of all the Borrower's immovable properties of the project, both present and future and/or additional existing assets identified by TSGENCO apart from the project assets and/or by a first charge on pari-passu basis by way of hypothecation in favour of the Corporation, together with all interest (including additional interest), costs, expenses, losses, applicable taxes, statutory

  
**Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 062.**

  
**मनोज शर्मा / MANOJ SHARMA**  
महाप्रबंधक (वित्त) / General Manager (I & D)  
पावर फाइनेंस लिमिटेड / P.F.C. Ltd.  
"ऊर्जानिधि", 1, बारकम्बा लाने, कनौट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001

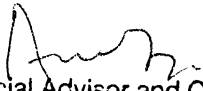
duties and other money shall be secured with the prescribed coverage ratio (presently 1.1 times) of all the Borrower's movable assets of the project (save and except book debts), including movable machinery, machinery spares, tools and accessories, spares and material at project site, present and future, save prior charges created and/or to be created) .


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.

**AND WHEREAS** according to one of the conditions of the Loan, the Borrower is required to open an Escrow Account in the bank to ensure debt servicing of principal, interest and other charges for the entire pendency of the Loan with the prescribed coverage ratio (presently 1.1 times) of the portion loan amount applicable in case of the Borrower to the satisfaction of the Corporation.

**AND WHEREAS** the Borrower has agreed and offered to secure the loan by creating a first charge on pari-passu basis by way of mortgage in favour of the Corporation of all immovable assets of the Project and a first charge on pari-passu basis by way of hypothecation of the Borrower's movable assets(save and except book debts) of the Project i.e setting up 5x800Mw coal based Yadadri Thermal Power Station at Veerlapalem Village, Damarcherla Mandal in Nalgonda District, Telangana state,including movable machinery, machinery spares, tools and accessories, fuel stock, spares and materials at project site, both present and future and/or or other movable assets identified by the Borrower, for due repayment by the Borrower of the loan and payment of interest, interest tax, as may be applicable from time to time, service charges and penal interest, interest on penal interest, costs charges other expenses etc thereon and/or any additional amounts(s) that become payable under the agreement.

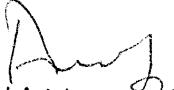
RECL issued NoCvide its letter No.REC/PO/HYD/Generation/2016-17/473 dated 27/07/2016, confirming that the securities created /to be created by the Borrower under or by virtue of the aforesaid hypothecation, mortgage and charges in respect of the Project in favour of PFC shall rank pari-passu basis with RECL for all purposes and including therein specific provision relating to insurance, application and realization of sale proceeds etc.(copy annexed as Annexure-A)


  
**Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 062.**

  
**मनोज कुमार / MANOJ KUMAR**  
महाप्रबंधक (वित्त) / Managing Director (Finance) (L&D)  
पावर फाइनेंस कॉर्पोरेशन लिमिटेड / PFC Ltd.  
"ऊर्जाविधि", 1, बरखम्बा लाने, कनौट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001

NOW IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:-

1. The Corporation will lend and advance to the Borrower the sum of Rs. 4009 Crores (Rupees Four Thousand and Nine Crores only) on the terms and conditions set out in the Corporation's Sanction Letter No. 03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/DNo.033023, dated 13<sup>th</sup> October, 2015, and 03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/DNo.03684009/03/2016 and 03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/DNo. 048858 dated 13/06/2017 (hereinafter together with the amendments made thereunder from time to time be referred to as "**Letter of Sanction**") and on the terms and conditions herein set out. The above said Letter of Sanction shall form part of this Agreement (copy annexed as Annexure -'B') as if fully set forth hereunder and all the terms and conditions set out in the said Letter of Sanction shall be binding on the Borrower.
2. The Borrower shall repay to the Corporation the amount of the said loan with interest, interest tax, Service charges, commitment charges, penal interest, interest on penal interest etc. thereon and costs, charges, expenses, losses and other moneys, etc. in accordance with the terms and conditions set out in that behalf in the said Letters of Sanction No. 03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/DNo.033023, dated 13<sup>th</sup> October, 2015, and 03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/DNo. 03684009/03/2016 and 03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/DNo. 048858 dated 13/06/2017, of the Corporation. The Borrower shall make all payments of principal, interest, interest tax, service charges, commitment charges, penal interest, interest on penal interest, other expenses etc. to the Corporation at its Registered Office at New Delhi.
3. The Borrower shall implement the said Project and shall also adhere to and comply with all such amendments thereto as are approved by the Corporation.
4. The Borrower agrees and undertakes to complete the work in the manner and according to the time schedule envisaged in terms and conditions of sanction of loan.
5. The Borrower has represented to and assured the Corporation that the loan applied for and being granted by the Corporation to the Borrower is within the borrowing powers of the Borrower in accordance with the laws and bye-laws applicable to it and all formalities,

  
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
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मनोज शर्मा / MANOJ SHARMA  
महाप्रबन्धक (वित्त) / General Manager (L&D)  
पावर फाइनेंस कॉर्पोरेशन लि. / PFC Ltd.  
"ऊर्जाविधि", 1, बरक़ाम्बा लैन्, कनॉट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001


required by the laws and bye-laws and rules regulating the work and conduct of the Borrower in respect of such borrowing have been fully complied with.

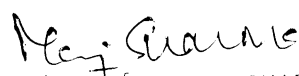
6. The Borrower has agreed to secure the loan by :

- i. a first pari-passu charge to be created by way of mortgage, in favour of Corporation of all immovable assets, of the **entire project** ( 5x 800 MW) coal based Yadadadri Thermal Power Station at Veerlapalam Village, Damaracherla Mandal in Nalgonda District, Telangana State , both present and future and/or additional existing assets identified by the Borrower and,
- ii. a first pari-passu charge by way of hypothecation in favour of the Corporation on all the Borrower's movable assets of the **entire Project** (5x800MW)(save and except book debts), consisting of its movable plant & machinery, machinery spares, tools and accessories, fuel stock, spares and materials, plant turbine and other various equipment etc. including associated balance of plant equipment/ items and other movables, both present and future, and/or additional existing assets identified by the Borrower as described in Schedule - I annexed to this agreement for due fulfillment of the obligations of the Borrower in terms of this Agreement and for due repayment of the principal amount and the interest, interest tax, Service charges, commitment charges, penal interest, interest on penal interest, interest on unpaid interest etc. thereon and costs, charges, expenses, losses and other moneys, etc.

7. The Borrower shall:

- a. Make out good marketable title to its properties to the satisfaction of the Corporation and keep the said properties in marketable and good condition and insure the same in the manner provided for and covering the risks mentioned in the Deed of Hypothecation and comply with all such formalities as may be necessary or required for the said purpose.
- b. Undertake 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


  
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

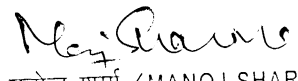
  
मनोज शर्मा / MANOJ SHARMA  
महाप्रबन्धक (विद्युत सौधा) / General Manager (L&D)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जाविधि", 1, बाराकम्बो लोड, कनौट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place...  
नई दिल्ली - 110001 / New Delhi - 110001




become inadequate to cover the balance of the each 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.


- c. 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.
8. The Borrower shall open and maintain an Escrow Account with a scheduled bank as acceptable to the Corporation to escrow the funds, loans and any other monies receivable during the tenor of the Project with the prescribed coverage ratio (presently 1.1 times) to the satisfaction of the Corporation.
9. The Borrower shall furnish to the Corporation such periodical returns of its workings and with regard to the utilization of the amount of the loan and the progress of the Project as may be required by the Corporation.
10. The Borrower shall make available for the inspection of the Corporation all its books of account and other books and documents maintained by it and/or required to be maintained by it under any law, bye-laws or rules of the Borrower and allow all facilities to the Corporation or any persons authorized by it for the purpose of carrying out such inspection. The Corporation shall have the right to inspect the Project and all the books of account, records and documents relating thereto at any time.
11. The Borrower agrees and undertakes to execute, sign, seal and deliver all documents, papers, acknowledgements and other writings as may be required by the Corporation at any time during the pendency of this Agreement, more fully and effectively securing the moneys due and payable or to become due and payable by the Borrower to the Corporation in terms of these presents.

  
**Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.**

  
**मनोज शर्मा / MANOJ SHARMA**  
महाप्रबन्धक (विधि एवं वित्त) / General Manager (L&D)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
"ऊर्जानिधि", 1, बाराकम्बा लेन, कनौट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001

- 12 The Borrower hereby also undertakes that:
- TSGENCO shall submit an undertaking that the approval of TSERC to the proposed investment would be obtained and the same submitted to PFC.
  - TSGENCO shall submit an undertaking that any response from TSERC in regard to proposed investment in the project would be intimated to PFC in due course.
  - TSGENCO shall submit an undertaking that in case investment in the project covered in this loan is not approved by TSERC, TSGENCO shall refund the entire amount disbursed in the project to PFC with interest within six months from TSERC's intimation regarding the same to TSGENCO.
  - TSGENCO shall submit an undertaking that in case of approval of cost by TSGENCO is less than the cost appraised, the PFC loan amount shall be reduced proportionately.
  - TSGENCO shall submit an undertaking that in case of denial of Environment Clearance from Ministry of Environment and Forest, Consent for Establishment from Telangana State Pollution Control Board, NoC from Airport Authority of India for Chimney height, TSGENCO shall refund the entire amount disbursed in the project to PFC with interest within six months from the intimation of denial of any of the above clearances to TSGENCO.
13. The Borrower must be and continue to be the owner and in physical possession of the Project at the time of disbursement of each installment of loan amount and till all the money due to the Corporation are fully liquidated by the Borrower.
14. The Borrower shall not transfer or abandon the Project at any stage without written consent of the Corporation. In case at any stage or on a future date, the Project is proposed to be transferred to any other organization or to be abandoned, the entire outstanding (e.g., principal, interest, interest tax, service charges, commitment charges, penal interest, interest on penal interest etc.) due from the Borrower shall be paid to the Corporation before any such transfer is affected.
15. In the event of a default on the part of the Borrower or any breach of the terms and conditions of these presents, the Borrower shall be liable to pay to the Corporation all costs, charges and expenses incurred/to be incurred by the Corporation in connection with the negotiations for the Agreement and in respect of the Agreement including legal expenses incurred for realization/recovery of the outstanding dues.

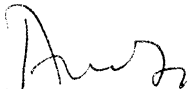
  
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.


  
मनोज शर्मा / MANOJ SHARMA  
महाप्रबन्धक (वित्त) एवं सी.ओ.ओ. / General Manager (L&D)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जाविधि", 1, बारकहम्बा लेन, कनॉट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place, New Delhi - 110001 / New Delhi - 110001

16. The Corporation shall without prejudice to its other rights and remedies be entitled to recall the loan at any time before the due date for repayment thereof, if the Borrower fails to fulfill its obligations under this Agreement and/or in the event of its committing a breach of any of the terms thereof. The decision of the Managing Director of the Corporation as to whether a breach of the terms of this Agreement has been committed by the Borrower or not shall be final and binding on the Borrower.
17. The borrower shall pay or cause to be paid, all Taxes (including stamp duties), duties, fees, or other charges payable on or in connection with the execution, issue, delivery, registration, or notarization, or for the legality, validity, or enforceability of this Agreement, Deed of Hypothecation, Creation of Mortgage and any other documents related to this Agreement. In case the Corporation has to pay that, the borrower agrees to reimburse the same to the Corporation within 30 days to the Corporation raising the demand. On the Borrower's failure to pay/reimburse, the Corporation shall be entitled to claim interest thereon at the prevailing rate of interest applicable to the loan at that time.
18. Every notice, demand, request, consent, approval, waiver or agreement to be given or made hereunder shall, save as otherwise herein specifically provided, be in writing and in the English Language and shall be delivered by hand or sent by mail (Registered Post) or by telex or cable and shall be deemed to have been given and received, if delivered by hand, upon delivery, if sent by mail, the 3rd day (excluding Saturday, Sunday and other closed days) following the date of mailing, and if sent by telex or cable, the 2nd day (excluding Saturday, Sunday and other closed days) following the date of transmission. The mailing address, telex number and cable address of the Borrower and PFC for purposes shall respectively be :

FOR TELANGANA STATE POWER GENERATION CORPORATION LIMITED

Telangana State Power Generation Corporation Limited  
VidyutSoudha, Khairatabad,  
Hyderabad - 500082

  
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

  
मनोज शर्मा / MANOJ SHARMA  
महाप्रबन्धक (ग्रिड एंड ट्रांसमिशन) / General Manager (GMD)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जाविधि", 1, बरकम्बा लाने, कनौट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place, New Delhi - 110001 / New Delhi - 110001

FOR POWER FINANCE CORPORATION LTD.

Power Finance Corporation Ltd.,

"URJANIDHI",

1, Barakhamba Lane,

Connaught Place,

New Delhi-110001

or such other mailing or cable address or telex number as to which the Borrower or PFC may, for itself from time to time notify the other as aforesaid.


19. This Agreement is executed in Hyderabad and the loan will be advanced by the Corporation to the Borrower in New Delhi. Civil Courts in Delhi/New Delhi alone shall have jurisdiction to entertain any suit or matter arising out of this Agreement.

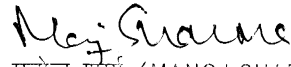
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 092.

मनोज शर्मा / MANOJ SHARMA  
महाप्रबन्धक (विधि एवं वित्त) / General Manager (Res)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
"ऊर्जाविधि", 1, बारखम्बा लेन, कनॉट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001

## SCHEDULE - I ABOVE REFERRED TO

Whole of the immovable and movable properties of Borrower entire project (5x 800MW) (save and except book debts) coal based Yadadari Thermal Power Station at Veerlapalam Village, Damaracherla Mandal in Nalgonda District, Telangana State, consisting of its movable plant & machinery, machinery spares, tools and accessories, fuel stock, spares and materials, plant turbine and other various equipments etc. including associated balance of plant equipment/ items and other movables, both present and future, and/or additional existing assets identified by the Borrower, whether installed or not and whether now lying loose or in cases or which are not lying or stored in or about or shall hereafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the borrower's factories, premises and godowns situated in Telangana State or wherever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order, or delivery, howsoever, and wheresoever in the possession of the Borrower and either by way of substitution or addition.

  
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

  
मनोज शर्मा / MANOJ SHARMA  
महाप्रबन्धक (विद्युत एवं वस्त्रावली) / General Manager (E&D)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
"ऊर्जाविधि", 1, बाराखम्बा लेन, कनॉट प्लेस  
"URJANDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001



IN WITNESS whereof the parties hereto have executed these presents the day, month and year first herein written.

SIGNED AND DELIVERED BY

on behalf of **POWER FINANCE CORPORATION LIMITED**

Signature: \_\_\_\_\_

Name & Designation: \_\_\_\_\_

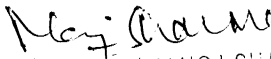
Address: Power Finance Corporation Ltd.,

"URJANIDHI",

1, Barakhamba Lane,

Connaught Place,

New Delhi-110001

  
मनोज शर्मा / MANOJ SHARMA  
महाप्रबंधक (एल एण्ड डी) / General Manager (L&D)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
"ऊर्जानिधि", 1, बाराखम्बा लेन, कनॉट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001

in the presence of

Signature: \_\_\_\_\_

Name & Designation: \_\_\_\_\_ टी. वी. गोपाल, कृष्णा / T.V. Gopala Krishna  
प्रबन्धक (एल एण्ड डी) / Manager (L&D)

Address: \_\_\_\_\_ पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जानिधि", 1, बाराखम्बा लेन, कनॉट प्लेस,  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi-110001

SIGNED AND DELIVERED BY

on behalf of **TELANGANA STATE POWER GENERATION CORPORATION LIMITED**


Signature: \_\_\_\_\_

Name & Designation: \_\_\_\_\_

Address: Telangana State Power Generation Corporation Limited

VidyutSoudha, Khairatabad,

Hyderabad - 500082

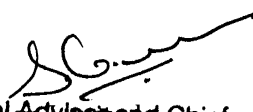
  
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

in the presence of

Signature: \_\_\_\_\_

Name & Designation: \_\_\_\_\_

Address: Telangana State Power Generation Corporation Limited  
VidyutSoudha, Khairatabad,  
Hyderabad - 500082

  
Financial Advisor and Chief  
Controller of Accounts (Audit),  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

 आर ई सी  
REC

रूरल इलेक्ट्रिफिकेशन कॉर्पोरेशन लिमिटेड  
Rural Electrification Corporation Limited

भारत सरकार का उद्यम A Government of India Enterprise  
A "NAVRATNA" Company under Ministry of Power

Project Office : Hyderabad

NPA Post, Sivarampally Hyderabad - 500 052

Phone : 040-29805034, 29804520, Fax : 040-29804235

e-mail: recindia@yahoo.com, Web: www.recindia.nic.in

Corporate Identity Number : L40101DL1969G0I005095

No.REC/PO/HYD/Generation/2016-17/4 73

Date:27-07-2016

✓ Shri Himanshu Naik  
Deputy Manager(Projects-Southern Region)  
Power Finance Corporation Limited  
"Urjanidhi"  
1, Barakhamba Lane,  
Connaught Place, New Delhi-110001

**Sub: Telangana State Power Generation Corporation Ltd(TSGENCO)- Financial assistance of Rs 16070.54 crores by REC towards part funding of the 5x800 MW Coal based Yadadri Thermal Power Plant(YTPS)in Nalgonda District of Telangana State.**

Ref: (i) TSGENCO's Letter No TSGENCO/ FA&CCA/Dy.CCA (Res)/SAO(Loans) /AO(L) /D.No404 /16 dated 28-03-2016.

(ii) M/s Power Finance Corporation Limited letter dated 05-07-2016 for ceding first Pari-Passu charge in respect of all Movable & Immovable property present and future pertaining to TSGENCO Yadadri Thermal Power Projects (5x800MW).

Dear Sir,

We, Rural Electrification Corporation Limited(REC), A Govt. of India Enterprise under Ministry of Power, Government of India having its registered office at "Core-4,Scope Complex, 7 Lodhi Road, New Delhi-110003" through its project office at CIRE Campus, Shivarampally, NPA Post, NH-7,Aramgarh, Hyderabad-500052 do hereby confirm that notwithstanding anything to the contrary contained in or by virtue of hypothecation, mortgage and charges created/to be created by Telangana State Power Generation Corporation Limited(TSGENCO) (hereinafter referred to as the "Company") in our favour in respect of Company's all movable and immovable properties present and future pertaining to TSGENCO Yadadri Thermal Power Projects (5X 800 MW) [ Hereinafter referred to as **Project**] to secure REC's sanctioned loan of Rs. 16070.54 crores with interest and other monies payable by the Company to us as per REC Policy, the hypothecation/charge and mortgage created/to be created by the Company in favour of REC shall rank pari-passu with the hypothecation/charge and mortgage created/to be created by the Company in favour of M/s Power Finance Corporation Limited(PFC), "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001 for its term loan sanctioned for Rs. 4009 crores along with interest, penal interest in case of late payment or any other monies payable to PFC pertaining to the Project.

We hereby also confirm that securities created/to be created by the Company under or by virtue of the aforesaid hypothecation, mortgage and charges in respect of the Project in favour of the REC shall rank pari-passu with PFC for all purposes and including therein specific provision relating to insurance, application and realisation of sale proceeds etc.

Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.


General Manager (L&D)  
P.E.C. Ltd.  
\*URJAN\*  
Place,  
New Delhi - 110001

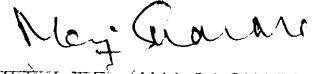
We also authorize you to make a mention of the ranking of Pari-Passu charge in our favour and in your favour on the Company's movable & immovable assets present & future in respect of the said Project in the form of Particulars of Charge required to be filed by the Company with the Registrar of Companies pursuant to the provisions of the Companies Act, 2013.

This pari passu letter is being issued with reference to the letter received from PFC Ltd dated 5<sup>th</sup> July 2016.

Yours faithfully

(N.Venkatesan)  
Chief Project Manager

  
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

  
मनोज शर्मा / MANOJ SHARMA  
महाप्रबन्धक (सहायक एवं वरिष्ठ) / General Manager (L&O)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
"उज्जानिधि", 1, बाराकम्बा लाने, कनौट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001



5<sup>th</sup> July 2016

[illegible]

[illegible]





पावर फाइनेंस कॉर्पोरेशन लिमिटेड  
POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आईएसओ. 9001:2008 प्रमाणित)

(ISO 9001:2008 Certified)

03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/D.No.033023 13<sup>th</sup> October 2015

Loan No. 37101002

Sh. D. Prabhakar Rao  
Chairman & Managing Director  
Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Khairatabad  
Hyderabad – 500082

Sub: Telangana State Power Generation Corporation Ltd. (TSGENCO) - Financial Assistance for setting up 5x800 MW Coal Based Yadadri Thermal Power Station at Veerlapalam Village, Damaracherla Mandal in Nalgonda District, Telangana

Ref: i. TSGENCO Letter no FA&CCA/Dy.CCA(Res)/SAO(Loans)/D.NO.150/2015 dated 30<sup>th</sup> July 2015

Dear Sir,

With reference to TSGENCO's letter at reference (i) above regarding financial assistance for setting up 5x800 MW Coal Based Yadadri Thermal Power Station at Veerlapalam Village, Damaracherla Mandal in Nalgonda District, Telangana involving total estimated cost of ₹25099.42 crore, we are pleased to inform that we are generally agreeable to advance a loan of ₹4009.00 crore (Rupees Four Thousand Nine Crore only) for this project - Loan no. 37101002. 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 Telangana State Power Generation Corporation Limited (TSGENCO).

We are pleased to inform you that PFC is agreeable to offer a special interest rebate of 50 bps on the applicable rate of interest to TSGENCO for the subject project.

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 policy applicable:

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 293(1) (a) and 293 (1) (d) of the Companies Act 1956, duly attested by Company Secretary (applicable to entities registered under Companies Act, 1956).

Financial Advisor and Chief

Controller of Accounts (Res) & CFO,

पंजीकृत कार्यालय : "ऊर्जा निर्माण", 1, बरेली रोड, कॉन्नाught प्लेस, नई दिल्ली-110001  
TSGENCO, Vidyut Soudha, Hyderabad - 500082

Regd. Office : "Urjanidhir", 1, Bareilly Road, Connaught Place, New Delhi-110001 Phones : 23456000 Fax : 011-23412545

वेबसाइट / Website : www.pfcindia.com CIN : L65910DL1986GOI024862

Manoj Sharma  
मनोज शर्मा / MANOJ SHARMA  
महाप्रबन्धक (वित्त एवं लेखा) / General Manager (L&D)  
पावर फाइनेंस कॉर्पोरेशन लि. / PFC Ltd.  
"ऊर्जा निर्माण", 1, बरेली रोड, कॉन्नाught प्लेस,  
नई दिल्ली-110001

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 either opts to pay commitment charges as per Clause 5.1 of standard terms and conditions or upfront fees.
8. Option letter whereby borrower opts for the reset period- 3/5/10 years.
9. Certificate from the borrower, in the prescribed format, that the borrower has received a copy of Operational Policy Statement (OPS) of PFC and confirming that the borrower is aware of the terms and conditions of OPS which shall also apply to this loan.
10. Undertakings from the Borrower in terms of clause 18.0 of the terms & conditions annexed hereto.
11. Quarter-wise drawal schedule.

**b. Documents required at the time of disbursement of loan:**

1. Tripartite Escrow Agreement in the prescribed format.
2. Either State Govt. 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.

Your kind attention is invited to clause 18.0 of Terms and Conditions of sanction, which reads as under:-

*"The sanction of loan accorded in terms of this sanction letter will stand cancelled if the Borrower fails to execute the complete documents (i.e., MOA along with documents required before or at the time of execution of MOA) within a period of six months from the date of sanction letter. 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 the initial six months period, duly supported by the reasons for such extension."*

Thanking you,  
Yours faithfully,  
for POWER FINANCE CORPORATION LTD.

*Priya*  
13-10-15

(Priya Kumar)  
Deputy General Manager (Projects- Southern Region)  
Tel: +91-11- 23456537  
Fax: +91-11-23456588


*Amr*  
Financial Advisor and Chief  
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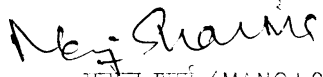
*Manoj Sharma*  
मनोज शर्मा / MANOJ SHARMA  
Page | 2  
महाप्रबंधक (परिचालन एवं वित्त) / General Manager (Admin)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
"सुज्योति", 1, बाराकान्बा लाने, कनौट प्लेस  
"SURYANIDHI", 1, Barakhamba Lane, Connaught Place,  
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Copy for information to:

- i. Sri. M. Sachidanandam, Director/Finance(FAC), TSGENCO, Vidyut Soudha, Khairatabad, Hyderabad - 500082
- ii. Shri C. Radha Krishna, Director (Projects), TSGENCO, Vidyut Soudha, Khairatabad, Hyderabad - 500082
- iii. ED (EA), PFC
- iv. ED (L&D), PFC
- v. GM (Loan Disbursement), PFC
- vi. GM (Loan Recovery), PFC
- vii. GM (RO -South), PFC

  
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मनीज शर्मा / MANOJ SHARMA  
महाप्रबंधक (ल&ड) / General Manager (L&D)  
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TERMS AND CONDITIONS OF SANCTION

1.0 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 and 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.

2.0 RATE OF INTEREST:

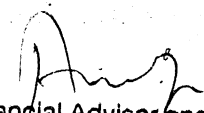
- 2.1 The Borrower shall pay interest on the said Loan at the rate of interest prevailing on the date of each disbursement as per the Corporation policy which shall be as notified by the Corporation <sup>#</sup>(presently it is 11.15% per annum with three years reset\*), along with tax, if any, at the 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 installment of interest and tax, if any, will be payable quarterly on the 15<sup>th</sup> day of April, 15<sup>th</sup> day of July, 15<sup>th</sup> day of October and 15<sup>th</sup> day of January every year, 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. 14<sup>th</sup> 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.

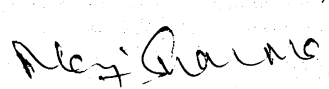
*# The above interest rate is the effective rate of interest after special interest rebate of 0.50% on the applicable rate of interest to TSGENCO and after rebate/incentive of 0.25% (presently applicable) for timely payment of dues. The Corporation shall recover interest from the Borrower considering 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.*

*\* The interest rates for 5 year reset shall be 10 bps lower than the interest rates for 3 year reset and the interest rates for 10 year reset shall be 15 bps lower than the interest rates for 3 year reset on all outstanding loans due for reset.*

- 2.2 **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.

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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**3.0 REPAYMENT OF LOAN**

3.1 The loan shall be repaid by the Borrower in **60 (In Sixty) equal** quarterly installments on April 15, July 15, October 15 & January 15 (each a "repayment date") of each year commencing on the first repayment date falling **six months after scheduled Date of Commencement of Commercial Operation (DCCO) i.e. 15<sup>th</sup> July 2021\***.

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

**4.0 PRE-PAYMENT OF LOAN**

4.1 The Borrower may prepay the outstanding principal amounts of the loan only after obtaining the prior written approval from the Corporation which will be at the sole discretion of the Corporation. The approval for prepayment may be granted subject to such conditions as the Corporation may deem fit including prepayment premium.

**5.0 COMMITMENT CHARGES/ UPFRONT FEE**

**5.1 Commitment Charges**

The borrower will furnish one month before first disbursement to the Corporation a quarter-wise schedule of drawal of loan, the year being the financial year commencing April 1<sup>st</sup> and ending March 31<sup>st</sup> and, the quarters being three months period beginning from 1<sup>st</sup> April, 1<sup>st</sup> July, 1<sup>st</sup> October and 1<sup>st</sup> January of the year. The borrower will be required to draw the entire amount of committed funds in the respective quarters. In case the borrower could not draw the committed funds in the scheduled quarter, the Corporation will recover commitment charges on the undrawn amount of the previous quarter from the first day of the following quarter till the date of actual date of drawal at prevailing rate (presently @ **0.25% p.a.**). The commitment charges will be payable quarterly on 15<sup>th</sup> April, 15<sup>th</sup> July, 15<sup>th</sup> October and 15<sup>th</sup> January every year after execution of loan documents till the drawal of loan by the borrower.

The borrower will be allowed prospective revision in the drawal schedule once in every financial year, provided the request is received latest by 15<sup>th</sup> March of the previous financial year.

**OR**


**Upfront fee:**

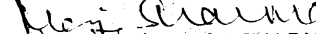
The borrower shall pay to the Corporation up-front fee at prevailing rate (presently **0.05%**) of the loan sanctioned on or before the execution of MOA.

5.2 The Borrower shall furnish his option in regard to 5.1 (Commitment charges or upfront fee) above at the time of execution of MOA, and option once given shall be final and binding on the borrower.

**6.0 Additional Interest in case of Delay in Payment/Liability towards Additional Charges/Costs etc**

6.1 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 of 2.0% over and above the rate of interest

  
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पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
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"URJANIDHI", 1, Barakhamba Long, Connaught Place,  
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mentioned in para 2.1 ante at which the loan is disbursed/reset, which will be compounded on quarterly basis.

6.2 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.

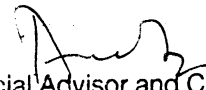
6.3 The Borrower shall pay on demand all costs, charges, expenses, losses, applicable taxes, statutory duties and other money that may be incurred by the Corporation, in connection with remittance/receipt of moneys to or to the order of or from the borrower, or in connection with protecting and/or enforcing 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.

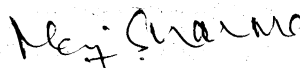
**7.0 APPROPRIATION OF AMOUNT PAID BY THE BORROWER:**

- 7.1 The money paid by the Borrower shall be appropriated in the following order:
- a) Costs, charges, expenses, losses, 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.

**8.0 ALL PAYMENTS TO BE REALISABLE AT PAR IN NEW DELHI:**

8.1 The Borrower shall so arrange that the amount 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.

  
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**9.0 SHIFTING OF DUE DATE OF PAYMENT OF INSTALMENT:**

**9.1** 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.

**10.0 MAINTENANCE OF ACCOUNTS AND AUDIT:**

**10.1** 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 un-audited annual accounts, within three months and audited accounts within seven months of the close of the year to which the accounts relate.

**11.0 TRANSFER AGREEMENTS IN CASE OF STRUCTURING OF SEBs/State Power Utilities :  
(applicable for loan(s) sanctioned to SEBs/State Power Utilities)**

**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.

**12.0 GUARANTEES & SECURITIES:**

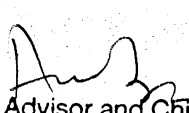
**12.1 GOVERNMENT GUARANTEE**

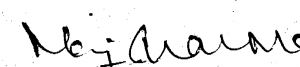
The loan shall be guaranteed fully, unconditionally and irrevocably either by the State Government in respect of repayment of principal, payment of interest/service charges thereon, payment of commitment charges, if any, additional interest, if any, and costs, charges, expenses, losses, applicable taxes, statutory duties and other money and the State Government as aforesaid shall execute the Guarantee Deed/Guarantee Bond in the form prescribed by the Corporation for the purpose.

OR

**CHARGE ON ASSETS:**

The loan together with all interest (including additional interest), costs, expenses, losses, applicable taxes, statutory duties and other money shall be secured with the prescribed coverage ratio (presently 1.1 times) applicable in case of Telangana State Power Generation Corporation Limited (TSGENCO) by a first charge by way of mortgage, in favour of the Corporation in a form satisfactory to the Corporation of all the Borrower's immovable properties of the project, both present and future and/or additional existing assets identified by TSGENCO apart from the project assets and/or by a first charge by way of hypothecation in favour of the Corporation of all the Borrower's movable assets of the project and/or additional existing assets identified by TSGENCO apart from the project assets (save and except book debts), including movable machinery, machinery spares, tools and accessories, spares and material at project site, present and future, save prior charges created and/or to be created.

  
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महाप्रबन्धक (वित्त) / General Manager (F.D.)  
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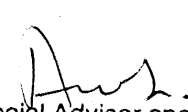
- I. The Borrower shall make out good marketable title to its properties to the satisfaction of the Corporation and comply with all such formalities as may be necessary or required for the said purpose.
- II. **Creation of additional security:** The Borrower undertakes that if, at any time during the subsistence of this Agreement, the Corporation is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loans then outstanding, the Borrower shall provide and furnish to the Corporation additional security as may be acceptable to the Corporation to cover such deficiency.
- III. **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. The borrower shall have the particulars of charge registered with the Sub-Registrar of Assurances in case of English Mortgage wherever executed.
- 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 Telangana State Power Generation Corporation Limited to the satisfaction of the Corporation.
- 12.3 In cases, where the borrower fails to create all securities as per terms of sanction by the stipulated date, the Corporation shall charge additional interest on loan at prevailing rate (presently 1% p.a.) from the date of expiry of the stipulated period allowed (as per terms of sanction) for creation of mortgage. The additional interest shall, however, not be charged in case substantial security for the loan has been created. Substantial security is defined as:
- Mortgage of at least 80% of land and
  - Creation of all other securities as per terms of sanction

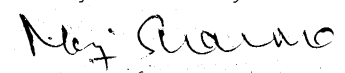
In case the disbursement against the loan increases beyond 75% of the loan amount and entire security as per terms of sanction has still not been created, additional interest shall be levied on the amount outstanding, from the date the disbursement against the loan exceeds 75% limit.

**13.0 UTILISATION OF LOAN AND COMPLETION OF PROJECT:**

- 13.1 The Borrower shall ensure that the equipment/materials for which the loan is obtained from the Corporation are utilized for the implementation of the project.
- 13.2 The Borrower shall not raise borrowings from any other sources for meeting the cost of equipment/materials/works financed through this loan.
- 13.3 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. by **1<sup>st</sup> January 2021\* (scheduled DCCO)** or such other date as may be agreed to by the Corporation.

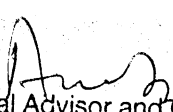
\* Could be reviewed and changed at the time of execution of loan documents.

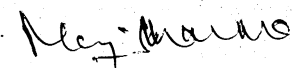
  
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- 13.4 The procurement by the borrower for various equipment/material/work/studies being fully/partially financed by the Corporation loan shall generally be done in accordance with the borrower's standard procurement procedure or as may be applicable by the International Financial Institution whose loan proceed may be intended to be availed under the loan.
- 14.0 DRAWAL OF LOAN:
- 14.1 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.
- 14.2 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.
- 14.3 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. Normally, disbursement will be made on the basis of the standard equipment/materials ordered/supplied as required for the completion of the project/programme and payment for these equipment/ materials becoming due by the Borrower to the supplier(s) concerned and also in respect of the civil/erection works completed/to be completed for implementation of project/programme through any agency(ies) engaged for the purpose.
- 14.4 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.
- 14.5 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 certificate/proof, as may be needed by the Corporation, in regard to utilization of advance will be submitted by borrowers normally within six months of the drawl or in such a time frame as agreed to by the Corporation).
- 14.6 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.
- 14.7 The borrower shall draw the loan as per drawl schedule and the closing date of loan shall be **six months from the date of scheduled DCCO i.e. 30<sup>th</sup> June 2021\*** or such other date as may be agreed to by the Corporation.
- \* *Could be reviewed and changed at the time of execution of loan documents.*
- 14.8 Claims for expenditure incurred from **1<sup>st</sup> June 2015** will be admissible against this loan.

  
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15.0 SUPERVISION AND MONITORING:

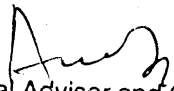
15.1 The Corporation would monitor the progress of project/scheme financed by it. In this respect:

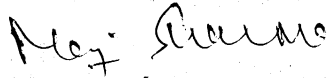
- a) The Borrower shall furnish to the Corporation such reports on its working, either in general or in specific relation to this loan, in the manner as may be prescribed by the Corporation from time to time.
- b) The Borrower shall furnish periodic progress reports on the formats, as defined by the 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 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 utilization of financial assistance provided, it may resort to remedial measures as stipulated in the clause DEFAULT hereunder.

16.0 State Govt. Loan/Budgetary Support

- i) 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.
- ii) 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.

  
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पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
"ऊर्जाविधि", 1, बाराकम्बा लेन, कनौट प्लेस  
"URJANDHI", 1, Barakhamba Lane, Connaught  
नई दिल्ली - 110031 / New Delhi - 110001



**17.0 DEFAULTS:**

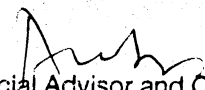
- 17.1** In case it is found to the satisfaction of the Corporation, which shall be final and not questioned, that the amount already disbursed has not been properly and effectively utilized by the Borrower for the project/programme and/or the progress achieved in the implementation of the project/programme 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 installments in any manner and may decline to disburse any and/or all the remaining installments without assigning any reason thereof, to the Borrower and without being liable for any losses or damages.
- 17.2** 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.
- 17.3** 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.


**18.0 VALIDITY PERIOD OF SANCTION:**

- 18.1** The sanction of loan accorded in terms of the sanction letter will stand cancelled if the Borrower fails to execute the complete documents (i.e. MOA along-with documents required before or at the time of execution of MOA) within a period of six months from the date of sanction letter. 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.


**19.0 SALE/ TRANSFER/ ABANDONING OF THE PROJECT BY THE BORROWER**

- 19.1** a) 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 installment of loan amount and till all the moneys due to the Corporation are fully liquidated by the Borrower.
- b) The Borrower shall not sell/transfer or abandon the project at any stage in any manner without prior written consent of the Corporation. In case at any stage or on a future date, the project is proposed to be transferred to any other organization or to be abandoned, the borrower shall seek prior consent of the Corporation before any such transfer is affected and in such case, the Corporation reserves the right to recall the loan with all outstanding dues including prepayment premium as applicable from time to time.

  
**Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.**

  
मनोज शर्मा / MANOJ SHARMA  
महाप्रबन्धक (वित्त एवं ऋण) / General Manager (L&D)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
"ऊर्जाविहारी", 1, बाराकम्बा लेन, कनौट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001

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**20.0 RIGHT TO ASSIGN/TRANSFER THE LOAN TO OTHER FIS, BANKS & ARCS.**

20.1 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.

**21.0 MISCELLANEOUS PROVISIONS :**

21.1 The Borrower shall be bound to follow and give effect to all instructions/ recommendations of the Corporation.

21.2 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.

21.3 Notwithstanding the various terms and conditions herein above mentioned the Borrower has been given a copy of the Operational Policy Statement (OPS) of the Corporation and amendments/ modifications thereto, for such financial assistance or assistances, and the Borrower is fully aware of the various terms and conditions set out therein which shall apply mutatis-mutandis to this loan as if fully set forth herein and all the provisions set out in the OPS shall be binding on the borrowers. Further the Borrower shall also take note of and comply with any change/ revision/ modification amendments/ instructions that may be made subsequently and notified by the Corporation.

21.4 The borrower shall during the currency of loans bear all such imposts, duties and taxes or any other charges as may be levied from time to time by the Government or other authority.


**22.0 SPECIAL CONDITIONS**

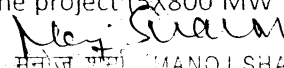
**22.1 PRE-COMMITMENT CONDITIONS**

1. TSGENCO shall submit an undertaking that the approval of TSERC to the proposed investment would be obtained and the same submitted to PFC.
2. TSGENCO shall submit an undertaking that any response from TSERC in regard to proposed investment in the project would be intimated to PFC in due course.
3. TSGENCO shall submit an undertaking that in case investment in the project covered in this loan is not approved by TSERC, TSGENCO shall refund the entire amount disbursed in the project to PFC with interest within six months from TSERC's intimation regarding the same to TSGENCO.
4. TSGENCO shall submit an undertaking that in case of approval of cost by TSGENCO is less than the cost appraised, the PFC loan amount shall be reduced proportionately.
5. TSGENCO shall submit an undertaking that in case of denial of Environment Clearance from Ministry of Environment and Forest, Consent for Establishment from Telangana State Pollution Control Board, NoC from Airport Authority of India for Chimney height, TSGENCO shall refund the entire amount disbursed in the project to PFC with interest within six months from the intimation of denial of any of the above clearances to TSGENCO.

**22.2 PRE-DISBURSEMENT CONDITIONS**

1. TSGENCO shall furnish the following for the project (5X800 MW Yadadri TPS ) by 31<sup>st</sup>

  
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

  
MANOJ SHARMA  
महाप्रबन्धक (वित्त) / General Manager (L&D)  
मावपु म. पु. नं. को. लि. / PFC Ltd.  
"ऊर्जा भवन", बरखम्बा लाने, कनॉट प्लेस,  
"URJANIDHI", Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001


March 2016:

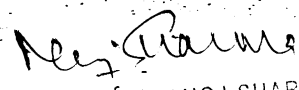
- a. Environment Clearance from MoEF, Govt.
  - b. NOC from the Airport Authority of India for chimney height
2. TSGENCO shall furnish Consent to Establish from Telangana State Pollution Control Board by 31<sup>st</sup> March 2016.
  3. TSGENCO shall obtain an in principle letter from Govt. of Telangana regarding PPA for the entire capacity prior to first disbursement.
  4. TSGENCO shall finalize the power selling arrangements and shall enter into a PPA for sale of entire capacity of 5X800 MW Yadadri TPS, within 12 months from the date of first disbursement.
  5. Within 12 months from first disbursement TSGENCO shall demonstrate that the power evacuation system would be in place at least one month prior to commissioning of Unit 1 of 5X800 MW Yadadri TPS.
  6. TSGENCO shall enter Coal Supply Agreement for a quantity of coal adequate for operation of the 5X800 MW Yadadri TPS at 85% PLF, within 12 months from the date of first disbursement.

### 22.3 OTHER CONDITION

1. Latest by 31<sup>st</sup> January 2016, TSGENCO and Government of Telangana shall undertake that TSGENCO shall offer security on assets located within the state of Telangana for loans (of this project) sanctioned by PFC. In case the assets offered as security are found to be inadequate to secure the sanctioned loan amounts (of this project), the Government of Telangana shall provide State Guarantee as security for this project for an amount sufficient to cover the deficiency in security coverage.
2. Latest by 31<sup>st</sup> January 2016, TSGENCO shall sign Transfer Agreement of loans of this project.
3. Latest by 31<sup>st</sup> December 2015, TSGENCO shall submit the annual Audited & Unaudited accounts for FY 2015.

\*\*\*\*\*

  
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.

  
मनोज शर्मा / MANOJ SHARMA  
महाप्रबन्धक (वित्त एवं वसुधालेख) / General Manager (L&D)  
श्रीवर्धन फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
"ऊर्जाविधि", 1, बाराकम्बा लेन, कनौट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001



# पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2008 प्रमाणित)

(ISO 9001:2008 Certified)

03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/D.No.033023 13<sup>th</sup> October 2015

Loan No. 37101002

Sh. D. Prabhakar Rao  
Chairman & Managing Director  
Telangana State Power Generation Corporation Ltd.  
Vidyut Soudha, Khairatabad  
Hyderabad – 500082

विषय: तेलंगाना स्टेट पावर जनरेशन कंपनी लिमिटेड- 5 X 800 मेगा वाट यदादरी थर्मल पावर स्टेशन हेतु वित्तीय सहायता।

सन्दर्भ: तेलंगाना स्टेट पावर जनरेशन कंपनी लिमिटेड पत्र क्रमांक  
FA&CCA/Dy.CCA(Res)/SAO(Loans)/D.NO.150/2015 दिनांक 30 जुलाई 2015।

महोदय,

उपरोक्त विषय के सन्दर्भ में हम आपको सहर्ष सूचित करते हैं कि तेलंगाना स्टेट पावर जनरेशन कंपनी लिमिटेड द्वारा स्थापित किये जाने वाले 5 X 800 मेगा वाट यदादरी थर्मल पावर स्टेशन हेतु पावर फाइनेंस कारपोरेशन ₹ 4009 करोड़ (चार हजार नौ करोड़) का अग्रिम ऋण प्रदान करने के लिए सहमत है। ऋण के नियम और शर्तों के साथ मंजूरी पत्र इस पत्र के साथ संलग्न किया गया है।

सादर

*प्रिया*

(प्रिया कुमार)

उप महा प्रबंधक (परि-दक्षिण)

Copy for information to:

- Sri. M. Sachidanandam, Director/Finance(FAC), TSGENCO, Vidyut Soudha, Khairatabad, Hyderabad – 500082
- Shri C. Radha Krishna, Director (Projects), TSGENCO, Vidyut Soudha, Khairatabad, Hyderabad – 500082
- ED (EA), PFC
- ED (L&D), PFC
- GM (Loan Disbursement), PFC
- GM (Loan Recovery), PFC
- GM (RO -South), PFC

*Amr*  
Financial Advisor and Chief

Controller of Accounts (Res) & CFO,

*Manoj Sharma*  
मनोज शर्मा / MANOJ SHARMA  
महाप्रबंधक (विनियमन व वित्त) / General Manager (L&D)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
"उर्जनिधि", 1, बारकम्बा लैन्स, कनॉट प्लेस  
"URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली - 110001 / New Delhi - 110001

प्रंजीकृत कार्यालय : "उर्जनिधि", 1, बारकम्बा लैन्स, 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

वेबसाइट / Website : www.pfcindia.com • CIN : L65910DL1986GOI024862





# पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2008 प्रमाणित)

(ISO 9001:2008 Certified)

03/SR/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/D.No.O36840

9<sup>th</sup> March 2016

Ms. E. Anuradha

FA & CCA

Telangana State Power Generation Corporation Ltd.

Vidyut Soudha, Khairatabad

Hyderabad – 500082

**Sub:** Telangana State Power Generation Corporation Ltd. (TSGENCO) - Financial Assistance for setting up Unit 5 of 5x800 MW Coal Based Yadadri TPS in Nalgonda District, Telangana – Modification in security clause by accepting pari-passu charge on project assets as security offered to Rural Electrification Corporation Limited

- Ref:** i. PFC's Sanction Letter No. 03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I /37101002/D.No.033023 dated 13<sup>th</sup> October 2015  
ii. TSGENCO's Letter No. TSGENCO/FA&CCA/Dy.CCA(Res)/SAO(Loans)/AO(Loans)/ D.No.330/16 dated 22<sup>nd</sup> January 2016

Dear Madam,

This has reference to your letter at reference (ii) above requesting PFC for accepting pari-passu charge on the entire assets of the Project.

In this regard we are pleased to inform you that PFC is agreeable to accept pari-passu charge on entire assets (movable and immovable) of the Yadadri TPS (5x800 MW), subject to REC ceding pari-passu charge in favour of PFC. The modification in the security clause is given below:

Existing Condition	Proposed Condition
<p>The loan shall be guaranteed fully, unconditionally and irrevocably either by the State Government in respect of repayment of principal, payment of interest/service charges thereon, payment of commitment charges, if any, additional interest, if any, and costs, charges, expenses, losses, applicable taxes, statutory duties and other money and the State Government as aforesaid shall execute the Guarantee Deed/Guarantee Bond in the form prescribed by the Corporation for the purpose.</p> <p style="text-align: center;">OR</p> <p><b>CHARGE ON ASSETS:</b> The loan together with all interest (including additional interest), costs, expenses, losses, applicable taxes, statutory duties and other</p>	<p><b>CHARGE ON ASSETS:</b> The loan together with all interest (including additional interest), costs, expenses, losses, applicable taxes, statutory duties and other money shall be secured with the prescribed coverage ratio (presently 1.1 times) applicable in case of Telangana State Power Generation Corporation Limited (TSGENCO) by a first charge (on pari-passu basis) by way of mortgage, in favour of the Lenders (PFC &amp; REC) in a form satisfactory to the Corporation of all the Borrower's immovable properties of the <b>entire project (5x800 MW)</b>, both present and future and by a first charge (on pari-passu basis) by way of hypothecation in favour of the Lenders (PFC &amp; REC) of all the Borrower's movable assets of the <b>entire project (5x800</b></p>

money shall be secured with the prescribed coverage ratio (presently 1.1 times) applicable in case of Telangana State Power Generation Corporation Limited (TSGENCO) by a first charge by way of mortgage, in favour of the Corporation in a form satisfactory to the Corporation of all the Borrower's immovable properties of the project, both present and future and/or additional existing assets identified by TSGENCO apart from the project assets and/or by a first charge by way of hypothecation in favour of the Corporation of all the Borrower's movable assets of the project and/or additional existing assets identified by TSGENCO apart from the project assets (save and except book debts), including movable machinery, machinery spares, tools and accessories, spares and material at project site, present and future, save prior charges created and/or to be created.

MW) (save and except book debts), including movable machinery, machinery spares, tools and accessories, spares and material at project site, present and future, save prior charges created and/or to be created.

Thanking you,

Yours faithfully,

  
9.3.16

(Priya Kumar)


Deputy General Manager (Projects- Southern Region)

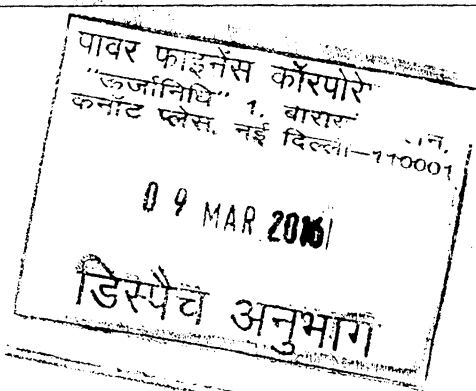
Tel: +91-11- 23456537

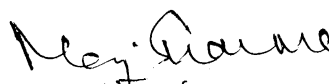
Fax: +91-11-23456588

Copy to:

1. GM (Loan Documentation), PFC
2. GM (Loan Disbursement), PFC

  
Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 052.



  
मनोज शर्मा / MANOJ SHARMA  
महाप्रबन्धक (विधि एवं दस्तावेज) / General Manager (L&D)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
"उर्जानिधि", 1, लॉर्ड कनॉट प्लेस, कनॉट प्लेस  
"URJANIDHI", 1, Lord Connaught Place, Connaught Place,  
नई दिल्ली - 110001, New Delhi - 110001



0/C

# पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2008 प्रमाणित)

(ISO 9001:2008 Certified)

03/SR/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/D.No.048858

13<sup>th</sup> June 2017

Smt. E. Anuradha

FA &amp; CCA

Telangana State Power Generation Corporation Limited

Vidyut Soudha, Khairatabad

Hyderabad- 500082

Sub: TSGENCO – Loan No.37101002 – Financial assistance for setting up of Yadadri TPS (5X800 MW) – Extension of validity Period of Sanction

Ref: i. PFC sanction letter dated 13<sup>th</sup> October 2015

ii. TSGENCO letter no: TSGENCO/FA&CCA/Dy.CCA(Res)/SAO(Loans)/D.No.053/17 dated 22<sup>nd</sup> May 2017

Dear Madam,

With reference to TSGENCO letter cited at (ii) above requesting for extension of the validity period of Loan No. 37101002, the following changes may kindly be noted in respect of the Terms and Conditions of sanction at ref. (i) above for the subject loan:

Item	Clause No.	Existing	Replaced by
Validity Period of Sanction	18	6 months from the date of sanction letter, i.e., 12 <sup>th</sup> April 2016.	12 <sup>th</sup> October 2017

Thanking you,

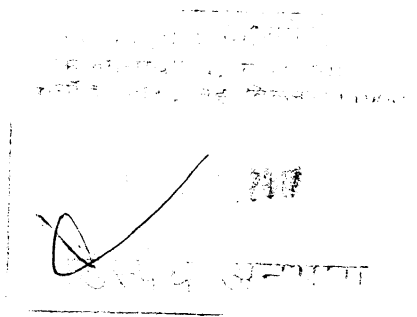
Yours sincerely,

(Priya Kumar)

DGM – Projects (Southern Region)

Copy to:

1. GM (Loan Documentation), PFC



Financial Advisor and Chief  
Controller of Accounts (Res) & CFO,  
TSGENCO, Vidyut Soudha,  
Khairatabad, Hyderabad-500082.

महोदय, जनरल मैनेजर (L&D)  
पावर फाइनेंस कॉर्पोरेशन लिमिटेड / P.F.C. Ltd.  
"उर्जानिधि", 1, बारकम्बा लेन, कनॉट प्लेस  
URJANIDHI, 1, Barakhamba Lane, Connaught Place,

पंजीकृत कार्यालय : "उर्जानिधि", 1, बारकम्बा लेन, कनॉट प्लेस, नई दिल्ली - 110001 टेलीफोन : 23456000 फेक्स : 011-23412545

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

वेबसाइट / Website : www.pfcindia.com • CIN : L65910DL1986GOI024862



**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)

03/SR/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/D.No.

14<sup>th</sup> Sep, 2017

Smt. E. Anuradha  
 FA & CCA  
 Telangana State Power Generation Corporation Limited  
 Vidyut Soudha, Khairatabad  
 Hyderabad- 500082

**Sub: TSGENCO – Loan No.37101002 – Financial assistance for setting up of Yadadri TPS (5X800 MW) – Declaration of Scheduled DCCO, Loan Closing Date and First Repayment Date in Loan Documents**

**Ref: PFC sanction letter dated 13<sup>th</sup> October 2015**

Dear Madam,

With reference to letter cited above regarding sanction of financial assistance for setting up of Yadadri TPS (5X800 MW), the following may kindly be noted in respect of the Terms and Conditions of sanction at ref. above for the subject loan:

Item	Clause No.	Existing	Replaced by
Schedule DCCO	13.3	1 <sup>st</sup> January 2021	1 <sup>st</sup> January 2023
Loan Closing Date	14.7	30 <sup>th</sup> June 2021	30 <sup>th</sup> June 2023
First Repayment Date	3.1	15 <sup>th</sup> July 2021	15 <sup>th</sup> July 2023

Thanking you,

Yours sincerely,

25.9.2017  
 14/09/2017

(Rajesh Shahi)  
 GM – Projects (Southern Region)

Copy to:

1. GM (Loan Documentation), PFC

पंजीकृत कार्यालय : "ऊर्जानिधि", 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  
 वेबसाइट/ Website : www.pfcindia.com • CIN : L85910DL1986GOI024862

Financial Advisor and Chief  
 Controller of Accounts (Res) & CFO,  
 TSGENCO, Vidyut Soudha,  
 HYDERABAD - 500 082.

Manoj Sharma  
 मनोज शर्मा / MANOJ SHARMA  
 महाप्रबन्धक (सि. ए. ए. ए.) / General Manager (L&D)  
 पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C Ltd.  
 "ऊर्जानिधि", 1, बाराखंबा लेन, कनॉट प्लेस  
 "URJANIDHI", 1, Barakhamba Lane, Connaught Place,  
 नई दिल्ली - 110001 / New Delhi - 110001





# TELANGANA STATE POWER GENERATION CORPORATION LTD.

(Govt. of Telangana State Undertaking)

Vidyut Soudha, Khairatabad, Hyderabad-500 082.

CIN: U40102TG2014SGC094070, FAX No.040 23317663  
Phone No. 9849000010 Email: [cmdtgenco@gmail.com](mailto:cmdtgenco@gmail.com)

## TRUE EXTRACT OF THE MINUTES OF COMMITTEE OF THE DIRECTORS OF THE COMPANY HELD ON 26-11-2015

\*\*\*

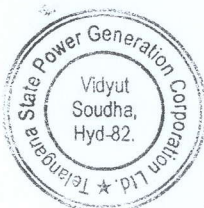
### 1. Consideration of financial assistance by M/s.REC Ltd. for setting up of 4 units of 5X800 MW Yadadri Thermal Power Station:

“RESOLVED that TSGENCO do accept and avail the term Loan of Rs.16,070.54 Crs. (Rupees Sixteen Thousand Seventy Crores and Fifty Four Lakhs only) from M/s Rural Electrification Corporation Limited (REC), New Delhi for financial assistance, for setting up of 4 units of 5X800 MW Yadadri Thermal Power Station as per REC sanction Lrs.. No. REC / PO/Hyd/ Generation/ 2015-16/ 352 Dt.11.08.2015 and REC/PO/Hyd/ Generation/2015-16/548 Dt.26.10.2015 respectively.”

“RESOLVED FURTHER that FA&CCA or Dy.CCA(Res.) of TSGENCO be and is / are hereby severally/ jointly authorized to accept and execute the requisite documents and complete the necessary documentation for availing the financial assistance from M/s.REC Ltd.,”

“RESOLVED FURTHER that FA&CCA or Dy.CCA (Res.) of TSGENCO be and is / are hereby severally / jointly authorized to agree and to accept any changes and modifications in the terms and Conditions contained in the said letter of sanction and format of Memorandum of Agreement and to accept and execute relevant loan documents, any amendments to any deed, documents and other writings including the agreements, as and when necessary.”

“RESOLVED FURTHER that TSGENCO do specifically note and confirm that unless and until the relevant loan documents entering in to by TSGENCO with M/s. REC Ltd., after compliance by the Company of all the requisite formalities and conditions to the satisfaction of the M/s REC Ltd., the letter of the sanction does not give rise to any binding obligation on the part of M/s. REC Ltd., under any obligation or commitment to advance any money to TSGENCO”



*[Handwritten signature]*

“ALSO RESOLVED that the loan shall be utilized for construction of 4 units of 5X800 MW Yadadri Thermal Power Station”

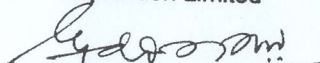
“RESOLVED FURTHER that the Chairman & Managing Director of the Corporation is authorized to file required documents with ROC for creation/ modification/satisfaction of charges on the assets offered in favour of M/s.REC Ltd.,”

“RESOLVED FURTHER that the Common Seal of the Company be affixed on the MOA/Hypothecation Deed in the presence of the two Directors of the Company and Company Law Advisor”.

“RESOLVED FURTHER that copies of the aforesaid resolutions certified to be true by the Company Law Advisor of the Company who is hereby authorized to forward the aforesaid resolutions to M/s Rural Electrification Corporation Limited, New Delhi and they be requested to accept the same and thereon”

**// CERTIFIED COPY //**

**For Telangana State Power Generation  
Corporation Limited**

  
Authorized Signatory





# TELANGANA STATE POWER GENERATION CORPORATION LTD

(Govt. of Telangana State Undertaking)

Vidyut Soudha, Khairatabad, Hyderabad - 500 082.

CIN: U40102TG2014SGC094070, Phone No. 040-23499339, 110, Fax No. 040-23499640

Website : www.tsgenco.co.in, E-mail ID : cs@tsgenco.co.in

**TRUE EXTRACT OF THE RESOLUTION PASSED IN THE BORROWINGS COMMITTEE MEETING HELD ON MONDAY, THE 13<sup>th</sup> NOVEMBER, 2023 AT 11.00 A.M AT THE REGISTERED OFFICE OF THE COMPANY, VIDYUT SOUDHA, HYDERABAD - 500 082.**

**SUB: Sanction of Additional Term Loan from M/s PFC Limited, New Delhi - Reg**

“RESOLVED that TSGENCO do accept and avail the additional term Loan of Rs.7037.00 Crs. (Rupees Seven Thousand and Thirty Seven Crores only) from M/s Power Finance Corporation Limited (PFC), New Delhi for implementation of 5X800 MW Yadadri TPS as per PFC Lr.No.03/30/Telangana/TSGENCO/Yadadri TPS/ 37101003/D.No.084294 Dt.04.10.23”

“RESOLVED FURTHER that Dy.CCA(Resources) of TSGENCO be and is / are hereby severally/ jointly authorized to accept and execute the requisite documents and complete the necessary documentation for availing the financial assistance from M/s.PFC Ltd., including signing of Tripartite Escrow Agreement with PFC & SBI”.

“RESOLVED FURTHER that Dy.CCA (Resources) of TSGENCO be and is / are hereby severally / jointly authorized to agree and to accept any changes and modifications in the terms and Conditions contained in the said letter of sanction and format of Memorandum of Agreement and to accept and execute relevant loan documents, any amendments to any deed, documents and other writings including the agreements, as and when necessary.”

*Chaitanya*

Contd..

“ RESOLVED FURTHER that TSGENCO do specifically note and confirm that unless and until the relevant loan documents entering in to by TSGENCO with M/s. PFC Ltd., after compliance by the Company of all the requisite formalities and conditions to the satisfaction of the M/s PFC Ltd., , the letter of the sanction does not give rise to any binding obligation on the part of M/s. PFC Ltd., under any obligation or commitment to advance any money to TSGENCO”

“ALSO RESOLVED that the loan shall be utilized for implementation of 5X800MW Yadadri TPS”

“RESOLVED FURTHER that the Company Secretary of the company is authorized to file required documents with ROC for creation/modification/satisfaction of charges on the assets offered in favour of M/s PFC Ltd.,”

“RESOLVED FURTHER that the Common Seal of the Company be affixed on the MOA/Hypothecation Deed in the presence of the two Directors of the Company and Company Secretary”.

“ RESOLVED FURTHER that copies of the aforesaid resolutions certified to be true by the Company Secretary of the Company who is hereby authorized to forward the aforesaid resolutions to M/s Power Finance Corporation Limited, New Delhi and they be requested to accept the same and thereon”

**// CERTIFIED COPY //**

For Telangana State Power Generation Corporation Ltd.  
  
G.P.R. HRUDAYA  
Company Secretary





TELANGANA STATE POWER GENERATION CORPORATION LIMITED  
VIDYUT SOUDHA :: HYDERABAD-500 082.  
CIN: U40102TG2014SGC094070, FAX No.040 23317663

**TRUE EXTRACT OF THE MINUTES OF THE 25<sup>th</sup> MEETING OF BOARD OF DIRECTORS OF THE COMPANY HELD ON FRIDAY, THE 28<sup>th</sup> JULY, 2017 AT 11.45 A.M AT THE REGISTERED OFFICE , VIDYUT SOUDHA, HYDERABAD – 500 082.**

**14(c) Discussion on Financial assistance by M/s PFC Ltd., for setting up of Yadadri Thermal Power Station (5x800MW)-YTPS.**

The FA&CCA(Resources) & CFO has placed a note on the subject for perusal and consideration of the Board.

The Board after due deliberations passed the following resolution:

**“RESOLVED** that TSGENCO do accept and avail the term loan of Rs.4009.00 Crs (Rupees Four Thousand and Nine Crores only) sanctioned by M/s Power Finance Corporation Limited(PFC), New Delhi for financial assistance for setting up of 5 X 800MW Yadadri Thermal Power Station as per PFC Lr.No.03/ 22 / Telangana/TSGENCO/YadadriTPS/Vol.1/37101002/D.No.033023 dt.13.10.15.”

**“RESOLVED FURTHER** that FA&CCA(Res) and CFO or Dy.CCA(Res) of TSGENCO be and is/are hereby severally/jointly authorized to accept and execute the requisite documents and complete the necessary documentation for availing the financial assistance from M/s PFC Ltd.”

**“RESOLVED FURTHER** that FA&CCA(Res) and CFO or Dy.CCA(Res) of TSGENCO be and is/are hereby severally/jointly authorized to accept any changes and modifications in the terms and conditions contained in the said letter of sanction and format of Memorandum of Agreement and to accept and execute relevant loan documents, any amendments to any deed, documents and other writings including the agreements, as and when necessary.”

**“RESOLVED FURTHER** that TSGENCO do specifically note and confirm that unless and until the relevant loan documents entering into by TSGENCO with M/s PFC Ltd., after compliance by the company of all the requisite formalities and conditions to the satisfaction of the M/s PFC Ltd., the letter of the sanction does not give to any binding obligation on the part of M/s PFC Ltd., under any obligation or commitment to advance any money to TSGENCO.”

*Chandrababu Naidu*





**TELANGANA STATE POWER GENERATION CORPORATION LIMITED**

**VIDYUT SOUDHA :: HYDERABAD-500 082.**

**CIN: U40102TG2014SGC094070, FAX No.040 23317663**

**"ALSO RESOLVED** that the loan shall be utilized for construction of Yadadri Thermal Power Station (5x800MW)."

**"RESOLVED FURTHER** that the Company Secretary of the is authorized to file required documents with ROC for creation/modification/satisfaction of charges on the assets offered in favour of M/s PFC Ltd."

**"RESOLVED FURTHER** that the Common seal of the Company be affixed on the MOA/Hypothecation Deed in the presence of the two Directors of the Company and Company Secretary.

**"RESOLVED FURTHER** that copies of the aforesaid resolutions certified to be true by the Company Secretary of the Company who is hereby authorized to forward the aforesaid resolutions to M/s Power Finance Corporation Limited (PFC), New Delhi and they be requested to accept the same and thereon."

**// CERTIFIED COPY //**

**For Telangana State Power Generation Corporation Ltd.**

*G.P.R. HRUDAYA*  
**G.P.R. HRUDAYA**  
**Company Secretary**



# पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)  
(ISO 9001:2008 Certified) 13<sup>th</sup> October 2015

Director (Finance) TSGENCO,  
Vidut Soudha, Hyderabad-82.  
Current No \_\_\_\_\_  
Date \_\_\_\_\_  
FA & CCA  
DY.CCA (A/cs)  
DY.CCA (Res)  
DY.CCA (A/cs)  
DY.CCA (Res)  
Director (Finance)  
Vidut Soudha, Hyderabad-82.

Loan No. 37101002

Sh. D. Prabhakar Rao  
Chairman & Managing Director  
Telangana State Power Generation Corporation Ltd.  
Vidut Soudha, Khairatabad  
Hyderabad - 500082

Sub: Telangana State Power Generation Corporation Ltd. (TSGENCO) Financial Assistance for setting up 5x800 MW Coal Based Yadadri Thermal Power Station at Veerapalam Village, Damaracherla Mandal in Nalgonda District, Telangana

Ref: i. TSGENCO Letter no FA&CCA/DY.CCA(Res)/SAO(Loans)/D.NO.150/2015 dated 30<sup>th</sup> July 2015

With reference to TSGENCO's letter at reference (i) above regarding financial assistance for setting up 5x800 MW Coal Based Yadadri Thermal Power Station at Veerapalam Village, Damaracherla Mandal in Nalgonda District, Telangana involving total estimated cost of ₹25099.42 crore, we are pleased to inform that we are generally agreeable to advance a loan of ₹4009.00 crore (Rupees Four Thousand Nine Crore only) for this project. Loan no. 37101002. 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 Telangana State Power Generation Corporation Limited (TSGENCO). We are pleased to inform you that PFC is agreeable to offer a special interest rebate of 50 bps on the applicable rate of interest to TSGENCO for the subject project.

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 policy applicable:

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 293(1) (a) and 293 (1) (d) of the Companies Act 1956, duly attested by the Secretary/Company Secretary (applicable to entities registered under Companies Act, 1956).

FA & CCA  
Vidut Soudha, Hyderabad-82.  
Current No. 2115  
127 OCT 2015  
DY.CCA (A/cs)  
DY.CCA (Res)  
SAO (A/cs & Budget)  
Pay Officer  
(GPF & Trust)  
Peshi  
FA&CCA

520/188



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 either opts to pay commitment charges as per Clause

5.1 of standard terms and conditions or upfront fees.

8. Option letter whereby borrower opts for the reset period- 3/5/10 years.

9. Certificate from the borrower, in the prescribed format, that the borrower has received a

copy of Operational Policy Statement (OPS) of PFC and confirming that the borrower is

aware of the terms and conditions of OPS which shall also apply to this loan.

10. Undertakings from the Borrower in terms of clause 18.0 of the terms & conditions

annexed hereto.

11. Quarter-wise drawal schedule.

**b. Documents required at the time of disbursement of loan:**

1. Tripartite Escrow Agreement in the prescribed format.

2. Either State Govt. 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.

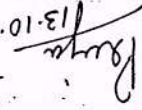
under:-

"The sanction of loan accorded in terms of this sanction letter will stand cancelled if the Borrower fails to execute the complete documents (i.e., MOA along with documents required before or at the time of execution of MOA) within a period of six months from the date of sanction letter. 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 the initial six months period, duly supported by the reasons for such extension."

Thanking you,

Yours faithfully,

for POWER FINANCE CORPORATION LTD.

  
13.10.15

(Priya Kumar)

Deputy General Manager (Projects- Southern Region)

Tel: +91-11-23456537

Fax: +91-11-23456588



- Copy for information to:
- i. Sri. M. Sachidanandam, Director/Finance(FAC), TSGENCO, Vidut Soudha, Khairatabad, Hyderabad - 500082
  - ii. Shri C. Radha Krishna, Director (Projects), TSGENCO, Vidut Soudha, Khairatabad, Hyderabad - 500082
  - iii. ED (EA), PFC
  - iv. ED (L&D), PFC
  - v. GM (Loan Disbursement), PFC
  - vi. GM (Loan Recovery), PFC
  - vii. GM (RO-South), PFC

TERMS AND CONDITIONS OF SANCTION

## 1.0 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 and 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.

## 2.0 RATE OF INTEREST:

2.1 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 with three years reset\*), 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 15<sup>th</sup> day of April, 15<sup>th</sup> day of October and 15<sup>th</sup> day of January every year, 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. 14<sup>th</sup> 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.

# The above interest rate is the effective rate of interest after special interest rebate of 0.50% on the applicable rate of interest to TSGENCO and 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.

\* The interest rates for 5 year reset shall be 10 bps lower than the interest rates for 3 year reset and the interest rates for 10 year reset shall be 15 bps lower than the interest rates for 3 year reset on all outstanding loans due for reset.

2.2 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.

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



## 3.0 REPAYMENT OF LOAN

3.1 The loan shall be repaid by the Borrower in 60 (in Sixty) equal quarterly installments on April 15, July 15, October 15 & January 15 (each a "repayment date") of each year commencing on the first repayment date falling six months after scheduled Date of Commencement of Commercial Operation (DCCO) i.e. 15<sup>th</sup> July 2021\*.

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

## 4.0 PRE-PAYMENT OF LOAN

4.1 The Borrower may prepay the outstanding principal amounts of the loan only after obtaining the prior written approval from the Corporation which will be at the sole discretion of the Corporation. The approval for prepayment may be granted subject to such conditions as the Corporation may deem fit including prepayment premium.

## 5.0 COMMITMENT CHARGES/UPFRONT FEE

5.1 **Commitment Charges**  
The borrower will furnish one month before first disbursement to the Corporation a quarter-wise schedule of drawal of loan, the year being the financial year commencing April 1<sup>st</sup> and ending March 31<sup>st</sup> and, the quarters being three months period beginning from 1<sup>st</sup> April, 1<sup>st</sup> July, 1<sup>st</sup> October and 1<sup>st</sup> January of the year. The borrower will be required to draw the entire amount of committed funds in the respective quarters. In case the borrower could not draw the committed funds in the scheduled quarter, the Corporation will recover commitment charges on the undrawn amount of the previous quarter from the first day of the following quarter till the date of actual drawal. All prevailing rate (presently @ 0.25% p.a.). The commitment charges will be payable quarterly on 15<sup>th</sup> April, 15<sup>th</sup> July, 15<sup>th</sup> October and 15<sup>th</sup> January every year after execution of loan documents till the drawal of loan by the borrower.

The borrower will be allowed prospective revision in the drawal schedule once in every financial year, provided the request is received latest by 15<sup>th</sup> March of the previous financial year.

OR

Upfront fee:

The borrower shall pay to the Corporation up-front fee at prevailing rate (presently 0.05%) of the loan sanctioned on or before the execution of MOA.

## 5.2

The Borrower shall furnish his option in regard to 5.1 (Commitment charges or upfront fee) above at the time of execution of MOA, and option once given shall be final and binding on the borrower.

## 6.0

**Additional Interest in case of Delay in Payment/Liability towards Additional Charges/Costs etc**

## 6.1

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 of 2.0% over and above the rate of interest





mentioned in para 2.1 ante at which the loan is disbursed/reset, which will be compounded on quarterly basis.

6.2 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.

6.3

The Borrower shall pay on demand all costs, charges, expenses, losses, applicable taxes, statutory duties and other money that may be incurred by the Corporation, 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.

7.0

#### APPROPRIATION OF AMOUNT PAID BY THE BORROWER:

7.1

The money paid by the Borrower shall be appropriated in the following order:

- a) Costs, charges, expenses, losses, 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.

8.0

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

8.1

The Borrower shall so arrange that the amount 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.





9.0 SHIFTING OF DUE DATE OF PAYMENT OF INSTALLMENT:

9.1 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.

10.0 MAINTENANCE OF ACCOUNTS AND AUDIT:

10.1 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 un-audited annual accounts, within three months and audited accounts within seven months of the close of the year to which the accounts relate.

11.0 TRANSFER AGREEMENTS IN CASE OF RESTRUCTURING OF SEBs/State Power Utilities :  
(applicable for loan(s) sanctioned to SEBs/State Power Utilities)

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.

12.0 GUARANTEES & SECURITIES:

12.1 GOVERNMENT GUARANTEE

The loan shall be guaranteed fully, unconditionally and irrevocably either by the State Government in respect of repayment of principal, payment of interest/service charges thereon, payment of commitment charges, if any, additional interest, if any, and costs, charges, expenses, losses, applicable taxes, statutory duties and other money and the State Government as aforesaid shall execute the Guarantee Deed/Guarantee Bond in the form prescribed by the Corporation for the purpose.

OR

CHARGE ON ASSETS:

The loan together with all interest (including additional interest), costs, expenses, losses, applicable taxes, statutory duties and other money shall be secured with the prescribed coverage ratio (presently 1.1 times) applicable in case of Telangana State Power Generation Corporation Limited (TSGENCO) by a first charge by way of mortgage, in favour of the Corporation in a form satisfactory to the Corporation of all the Borrower's immovable properties of the project, both present and future and/or additional existing assets identified by TSGENCO apart from the project assets and/or by a first charge by way of hypothecation in favour of the Corporation of all the Borrower's movable assets of the project and/or additional existing assets identified by TSGENCO apart from the project assets (save and except book debts), including movable machinery, spares, tools and accessories, spares and material at project site, present and future, save prior charges created and/or to be created.

*Signature*





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.

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

III. **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. The borrower shall have the particulars of charge registered with the Sub-Registrar of Assurances in case of English Mortgage wherever executed.

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 Telangana State Power Generation Corporation Limited to the satisfaction of the Corporation.

12.3 In cases, where the borrower fails to create all securities as per terms of sanction by the stipulated date, the Corporation shall charge additional interest on loan at prevailing rate (presently 1% p.a.) from the date of expiry of the stipulated period allowed (as per terms of sanction) for creation of mortgage. The additional interest shall, however, not be charged in case substantial security for the loan has been created. Substantial security is defined as:

- Mortgage of at least 80% of land and
- Creation of all other securities as per terms of sanction

In case the disbursement against the loan increases beyond 75% of the loan amount and entire security as per terms of sanction has still not been created, additional interest shall be levied on the amount outstanding, from the date the disbursement against the loan exceeds 75% limit.

### 13.0 UTILISATION OF LOAN AND COMPLETION OF PROJECT:

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

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

13.3 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. by 1<sup>st</sup> January 2023\* (**scheduled DCCO**) or such other date as may be agreed to by the Corporation.  
\* Could be reviewed and changed at the time of execution of loan documents.



13.4 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.

#### 14.0 DRAWAL OF LOAN:

14.1 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.

14.2 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.

14.3 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. Normally, disbursement will be made on the basis of the standard equipment/materials ordered/supplied as required for the completion of the project/programme and payment for these equipment/ materials becoming due by the Borrower to the supplier(s) concerned and also in respect of the civil/erection works completed/to be completed for implementation of project/programme through any agency(ies) engaged for the purpose.

14.4 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.

14.5 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 certificate/proof, as may be needed by the Corporation, in regard to utilization of advance will be submitted by borrowers normally within six months of the drawl or in such a time frame as agreed to by the Corporation).

14.6 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.

14.7 The borrower shall draw the loan as per drawl schedule and the closing date of loan shall be six months from the date of scheduled DCCO i.e. 30<sup>th</sup> June 2021\* or such other date as may be agreed to by the Corporation.  
\* Could be reviewed and changed at the time of execution of loan documents.

14.8 Claims for expenditure incurred from 1<sup>st</sup> June 2015 will be admissible against this loan.





## 15.0 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 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 utilization of financial assistance provided, it may resort to remedial measures as stipulated in the clause DEFAULT hereunder.

## 16.0 State Govt. Loan/Budgetary Support

i) 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.

ii) 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.



17.0 DEFAULTS:

17.1 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 utilized 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 installments in any manner and may decline to disburse any and/or all the remaining installments without assigning any reason thereof, to the Borrower, and without being liable for any losses or damages.

17.2 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.

17.3 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.

18.0 VALIDITY PERIOD OF SANCTION:

18.1 The sanction of loan accorded in terms of the sanction letter will stand cancelled if the Borrower fails to execute the complete documents (i.e. MOA along-with documents required before or at the time of execution of MOA) within a period of six months from the date of sanction letter. 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.

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

19.1 a) 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 installment of loan amount and till all the moneys due to the Corporation are fully liquidated by the Borrower.

b) The Borrower shall not sell/transfer or abandon the project at any stage in any manner without prior written consent of the Corporation. In case at any stage or on a future date, the project is proposed to be transferred to any other organization or to be abandoned, the borrower shall seek prior consent of the Corporation before any such transfer is affected and in such case, the Corporation reserves the right to recall the loan with all outstanding dues including prepayment premium as applicable from time to time.

*[Signature]*



## 20.0 RIGHT TO ASSIGN/TRANSFER THE LOAN TO OTHER FIS, BANKS & ARCS.

20.1 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.

## 21.0 MISCELLANEOUS PROVISIONS :

21.1 The Borrower shall be bound to follow and give effect to all instructions/recommendations of the Corporation.

21.2 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.

21.3 Notwithstanding the various terms and conditions herein above mentioned the Borrower has been given a copy of the Operational Policy Statement (OPS) of the Corporation and amendments/modifications thereto, for such financial assistance or assistances, and the Borrower is fully aware of the various terms and conditions set out therein which shall apply mutatis-mutandis to this loan as if fully set forth herein and all the provisions set out in the OPS shall be binding on the borrowers. Further the Borrower shall also take note of and comply with any change/ revision/ modification amendments/ instructions that may be made subsequently and notified by the Corporation.

21.4 The borrower shall during the currency of loans bear all such imposts, duties and taxes or any other charges as may be levied from time to time by the Government or other authority.

## 22.0 SPECIAL CONDITIONS

### 22.1 PRE-COMMITMENT CONDITIONS

1. TSGENCO shall submit an undertaking that the approval of TSERC to the proposed investment would be obtained and the same submitted to PFC.
2. TSGENCO shall submit an undertaking that any response from TSERC in regard to proposed investment in the project would be intimated to PFC in due course.
3. TSGENCO shall submit an undertaking that in case investment in the project covered in this loan is not approved by TSERC, TSGENCO shall refund the entire amount disbursed in the project to PFC with interest within six months from TSERC's intimation regarding the same to TSGENCO.
4. TSGENCO shall submit an undertaking that in case of approval of cost by TSGENCO is less than the cost appraised, the PFC loan amount shall be reduced proportionately.
5. TSGENCO shall submit an undertaking that in case of denial of Environment Clearance from Ministry of Environment and Forest, Consent for Establishment from Telangana State Pollution Control Board, NOC from Airport Authority of India for Chimney height, TSGENCO shall refund the entire amount disbursed in the project to PFC with interest within six months from the intimation of denial of any of the above clearances to TSGENCO.

### 22.2 PRE-DISBURSEMENT CONDITIONS

1. TSGENCO shall furnish the following for the project (5X800 MW Yadadri TPS) by 31<sup>st</sup>



March-2016:

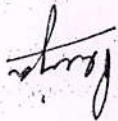
- a. Environment Clearance from MoEF, Govt. of India for chimney height
- b. NOC from the Airport Authority of India for chimney height

2. TSGENCO shall furnish Consent to Establish from Telangana State Pollution Control Board by 31<sup>st</sup> March 2016.
3. TSGENCO shall obtain an in principle letter from Govt. of Telangana regarding PPA for the entire capacity prior to first disbursement.
4. TSGENCO shall finalize the power selling arrangements and shall enter into a PPA for sale of entire capacity of 5X800 MW Yadadri TPS, within 12 months from the date of first disbursement.
5. Within 12 months from first disbursement TSGENCO shall demonstrate that the power evacuation system would be in place at least one month prior to commissioning of Unit 1 of 5X800 MW Yadadri TPS.
6. TSGENCO shall enter Coal Supply Agreement for a quantity of coal adequate for operation of the 5X800 MW Yadadri TPS at 85% PLF, within 12 months from the date of first disbursement.

## 22.3 - OTHER CONDITION

1. Latest by 31<sup>st</sup> January 2016, TSGENCO and Government of Telangana shall undertake loans (of this project) sanctioned by PFC. In case the assets offered as security are found to be inadequate to secure the sanctioned loan amounts (of this project), the Government of Telangana shall provide State Guarantee as security for this project for an amount sufficient to cover the deficiency in security coverage.
2. Latest by 31<sup>st</sup> January 2016, TSGENCO shall sign Transfer Agreement of loans of this project.
3. Latest by 31<sup>st</sup> December 2015, TSGENCO shall submit the annual Audited & Unaudited accounts for FY 2015.

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# पावर फाइनेंस कॉर्पोरेशन लिमिटेड

POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)  
(आई.एस.ओ. 9001:2008 प्रमाणित) (ISO 9001:2008 Certified)

03/22/Telangana/TSGENCO/Yadadri TPS/Vol.I/37101002/D.No.033023 13<sup>th</sup> October 2015

Loan No. 37101002

Sh. D. Prabhakar Rao  
Chairman & Managing Director  
Telangana State Power Generation Corporation Ltd.  
Vidut Soudha, Khairatabad  
Hyderabad - 500082

विषय: तेलंगाना स्टेट पावर जनरेशन कंपनी लिमिटेड- 5 X 800 मेगा वाट यदादरी थर्मल पावर

स्टेशन हेतु वित्तीय सहायता।

सन्दर्भ: तेलंगाना स्टेट पावर जनरेशन कंपनी लिमिटेड पत्र क्रमांक

FA&CCA/Dy.CCA(Res)/SAO(Loans)/D.NO.150/2015 दिनांक 30 जुलाई 2015।

महोदय,

उपरोक्त विषय के सम्दर्भ में हम आपको सहर्ष सूचित करते हैं कि तेलंगाना स्टेट पावर

जनरेशन कंपनी लिमिटेड द्वारा स्थापित किये जाने वाले 5 X 800 मेगा वाट यदादरी थर्मल पावर

स्टेशन हेतु पावर फाइनेंस कारपोरेशन ₹ 4009 करोड़ (चार हजार नौ करोड़) का अधिम ऋण प्रदान

करने के लिए सहमत है। ऋण के नियम और शर्तों के साथ मंजूरी पत्र इस पत्र के साथ संलग्न किया

गया है।

सादर

(वित्त कर्मा)

उप महा प्रबंधक (परि-दक्षिण)

Copy for information to:

i. Sri. M. Sachidanandam, Director/Finance(FAC), TSGENCO, Vidut Soudha, Khairatabad, Hyderabad - 500082

iii. Shri C. Radha Krishna, Director (Projects), TSGENCO, Vidut Soudha, Khairatabad, Hyderabad - 500082

iv. ED (EA), PFC

v. GM (Loan Disbursement), PFC

vi. GM (Loan Recovery), PFC

vii. GM (RO -South), PFC