

Key Financial Terms & Conditions of Sanction
(Other General/ Special Terms & Conditions shall be stipulated based on the appraisal)

A. Security

The following security structure is prescribed by PFC:

- i. State/Central Govt. guarantee/Bank Guarantee/Charge on Assets;
- ii. Escrow Account/Letter of Credit;

Note: - In special cases security structure can be modified depending on the credit worthiness of the borrower.

PFC may insist on one or more of the following additional securities/covenants from private sector entities:

- i. Corporate guarantee;
- ii. Personal guarantee of promoters;
- iii. Pledge of shares of promoters;
- iv. Charge on assets of group/other companies;
- v. Assignment of all project contracts, documents, insurance policies in favour of Corporation;
- vi. Establishing trust and retention mechanism so that all the proceeds of the projects are utilised in a manner decided by PFC;
- vii. Charge on revenues
- viii. Any other guarantee acceptable to corporation.

Note: - The requirement of additional security for carrying various risks at different stages of the projects would be assessed during appraisal.

B. Interest

The company shall, until the Term loan is fully repaid, pay to PFC, interest on the principal amounts of the Term Loan outstanding from time to time, at the rate prevailing on the date of each disbursement.

In the event of the interest or the principal not being paid to the Corporation by the Borrower on due date, the defaulted amount shall carry further interest at the applicable lending rate of the loan along with penal interest rate of 2% which will be compounded on quarterly basis.

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.

C. Interest Reset

Rate of interest shall be reset at the end of every first year / third year (as applicable) beginning with the date of first disbursement. Interest reset, shall apply from the standard due date immediately following the end of 1st /3rd year period (as applicable). For the purpose of reset, the interest rates of disbursements proposed to be reset shall be the interest rates existing at the end of the reset period for the similar category of loans.

D. Last date of Drawal / Loan closing Date

Unless PFC otherwise agrees, the company's right to make drawal from the Term Loan shall cease on last date of drawal as decided at the time of signing of the agreement.

E. Repayment

The repayment period is regulated as per policy of the Corporation from time to time. Repayment period shall be determined and indicated in the sanction letter keeping in view pay-back period and credit worthiness of the borrower. The maximum repayment period shall be 80% and 85% of project life for Greenfield and refinancing cases.