



Part A - Annexure

पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(सर्वोत्प.अं. 9001-2008 प्रमाणित)

(ISO 9001:2008 Certified)

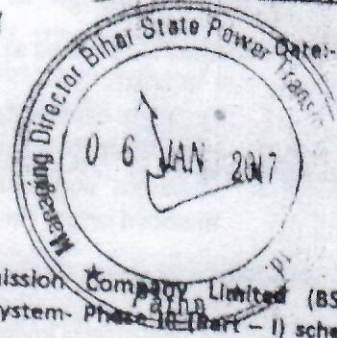
No. 03/31/Bihar/BSPTCL/BRGF/MoA/47903001/044521

24 MF

Loan No. 47903001
Speed Post/ Courier

Date: 29.12.2016

Sr. Pramod Thwari
Dy. General Manager (F&A),
Bihar State Power Transmission Corporation Ltd. (BSPTCL)
Vichut Bhanwan
Patna -800001



Sub: Financial Assistance to Bihar State Power Transmission Company Limited (BSPTCL) for implementation of strengthening of sub transmission system- Phase III (Part - I) scheme under Govt's BRGF plan

31/MD (M2-)
07.01.17

Dear Sir,

With reference to your Letter No. 3796 dated 23.11.2016, regarding financial assistance for implementation of strengthening of sub transmission system- Phase III (Part - I) scheme under Govt's BRGF plan, involving total estimated cost of Rs. 1817.22 crore including IDC, we are pleased to advise that we are generally agreeable to advance a loan of Rs. 604.97 crore (Rupees Six Hundred Four crore and Ninety Seven lakhs only) for this project - Loan No.47903001.

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 Power Finance Corporation (PFC) and Bihar State Power Transmission Company Limited (BSPTCL). The format of MOA is enclosed.

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 180(1)(a) and 180(1)(c) of the Companies Act 2013, duly attested by Company Secretary (applicable to entities registered under Companies Act, 2013).
3. Specimen signatures of authorized signatory duly attested by Secretary/Company Secretary as the case may be.
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.

पंजीकृत कार्यालय : "ऊर्जाविधि", 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 : L65910DL1996GOI024862

Handwritten signature

28/DGM (F&A)
07/01/17

DGM
(F&A)

Handwritten signature

o/am
07.1.17

- 3
7. 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.
 8. Quarter-wise drawl schedule.
 9. Undertakings from the Borrower in terms of clause 22.1 of the terms & conditions annexed hereto.

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

1. Tripartite Escrow Agreement in the prescribed format.
2. State Govt. guarantee in the prescribed format.
3. Materials and equipment schedule, in the prescribed format, for the project/scheme to be financed under the loan.

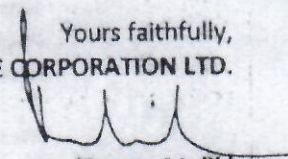
In addition to above the borrower shall furnish all other documents as may be required in terms of loan.

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 initial six months period, duly supported by the reasons for such extension."

Thanking you,

Yours faithfully,
for POWER FINANCE CORPORATION LTD.


(Pawan Malik)
GM (Projects-ER & NER) 25/

Encl: As above

Copy for information to:

- i. ✓ MD, Bihar State Power Transmission Company Limited (BSPTCL), Patna 800001 - along with copy of Terms and Conditions
- ii. ED (SEA), PFC - along with a copy of terms and conditions
- iii. GM (L&D), PFC - along with a copy of terms and conditions
- iv. GM (Loan Recovery), PFC - along with a copy of terms and conditions
- v. GM (Loan Disbursement), PFC - along with a copy of terms and conditions



107
32

TERMS AND CONDITIONS OF SANCTION OF RUPEE TERM LOAN

1.0 AGREEMENT:

- 1.1 The Borrower shall execute a Memorandum of Agreement (MDA) 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 mentioned below at point 2.1.1, 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 15th day of April, 15th day of July, 15th day of October and 15th 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. 14th day of the month on the amount disbursed/ outstanding up to the last day of the preceding month. Computation of interest shall be made on a daily basis using 365 days factor.

2.1.1

"The interest rate without considering timely payment rebate of 0.25% as applicable, will be 175 bps below the applicable interest rate (with 3 years reset) without considering any timely payment rebate [i.e. 11.75% - 1.75% = 10.00 % pa] with a floor rate of 10% p.a. No timely payment rebate shall be provided to BSPTCL for this loan.

The above effective interest rate will be subject to floor rate of 10% p.a as follows:

- a. If PFC's notified rate applicable for the utility falls below floor interest rate (i.e., 10.00% p.a), the applicable interest rate shall be PFC's notified rate for the utility, without any rebate.
- b. If PFC's notified rate applicable for the utility is between floor interest rate (i.e., 10.00% p.a) and current notified interest rate, the applicable interest rate shall be the floor interest rate (i.e., 10.00% p.a).
- c. If PFC's notified rate applicable for the utility goes above the current notified interest rate, a rebate of above mentioned points shall be applicable on PFC's notified rate for the utility."

- 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 year (as applicable) beginning with the date of first disbursement.

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