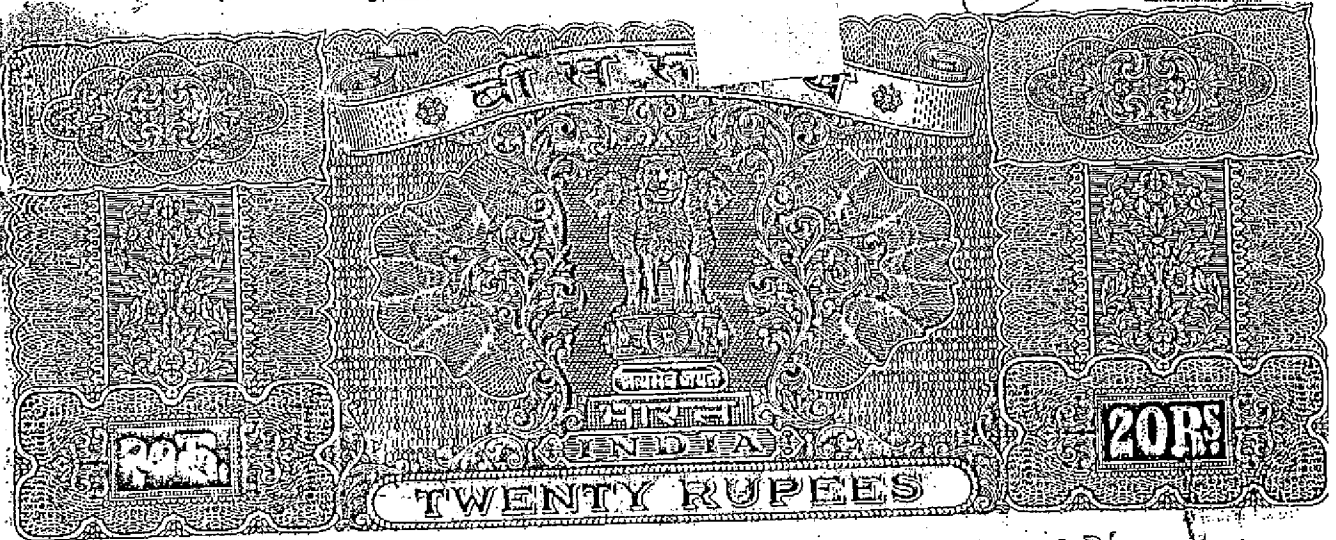


REC 160 G

10

(28)

20 RS.



2005.02

(LATL)

## LOAN AGREEMENT

This Agreement is made at Shillong on this 24th day of March 2003

## BETWEEN

Rural Electrification Corporation Limited, a Govt. of India Enterprise, (through its Project Office at Shillong), a Company registered under the Companies Act, 1956 and having its registered office at Core - 4, SCOPE Complex, 7 Lodi Road, New Delhi (hereinafter referred to as 'REC' which expression shall include its successors and permitted assigns) **ONE PART.**

## AND

**Meghalaya State Electricity Board constituted under section 5 (i) of the Electricity Supply Act, 1948 having its Head Office at Shillong**

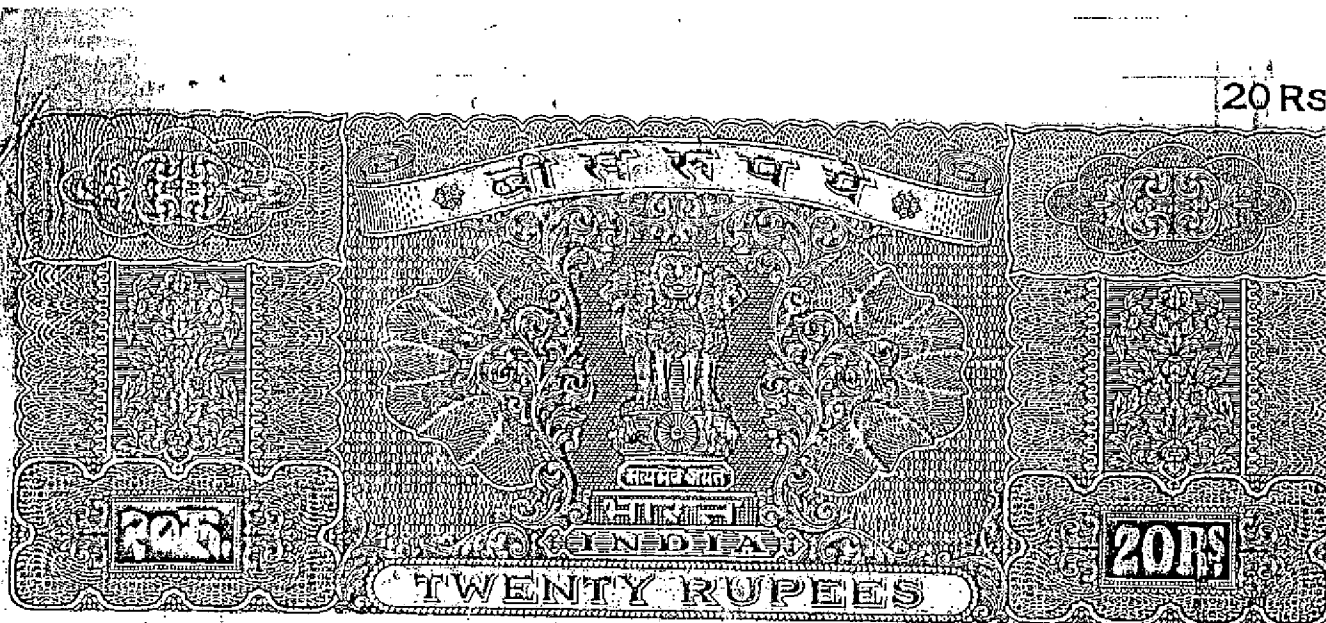
(hereinafter referred to as "the Borrower", which expression shall include its successors and permitted assigns) **OTHER PART.**

REC and the Borrower collectively referred to as "Parties" and singularly as a "Party".

*[Signature]*  
Member Finance  
Meghalaya State Electricity Board  
Shillong

*[Signature]* 12/3/03  
CK. ADHIKARI  
Chief Project Manager  
R.E.C. Project Office  
Lachumier, Shillong-793001.

*[Signature]*  
Member (Hydr) &  
Principal Chief Engineer (Hydr)  
Meghalaya State Electricity Board  
Shillong-793 001



2

WHEREAS the Borrower vide letter no. ACM(II)/744/2002/3 dtd.19/11/02 has sought financial assistance of Rs160 Crore. (Rupees One Hundred Sixty Crore) as Term Loan from REC and also to finance cost escalation in the said scheme (to the extent of 20% of loan) as requested vide MeSEB subsequent letter no.8 dtd.02/01/03 to be utilised for Leshka Hydro Electric Generation Project (2X42 MW)(hereinafter referred to as the 'Project') the details whereof are provided in Annexure - A, written hereunder, and forms part and parcel of the present Agreement.

AND WHEREAS REC has agreed to sanction the Term Loan of Rs. One Hundred Sixty Crore only) and also to finance cost escalation in the said scheme to the extent of 20% of the loan amount thereby making a total loan of Rs.192.00 Crore (Rupees One hundred Ninety two Crore) to the Borrower for the purpose(s) aforementioned and has conveyed the sanction of the Term Loan to the Borrower vide its Sanction Letter dated the REC/POS/MeSEB/Leshka/02/4728 Dtd.31/12/02 and subsequent addendum no.4811 dtd.13/03/03 on the terms and conditions stated in the Sanction Letters, (copies whereof are enclosed hereto as Annexure B). The terms and the conditions stated in Annexure B hereof are to be read alongwith the terms and conditions set forth hereinafter and form part and parcel of the present Agreement.

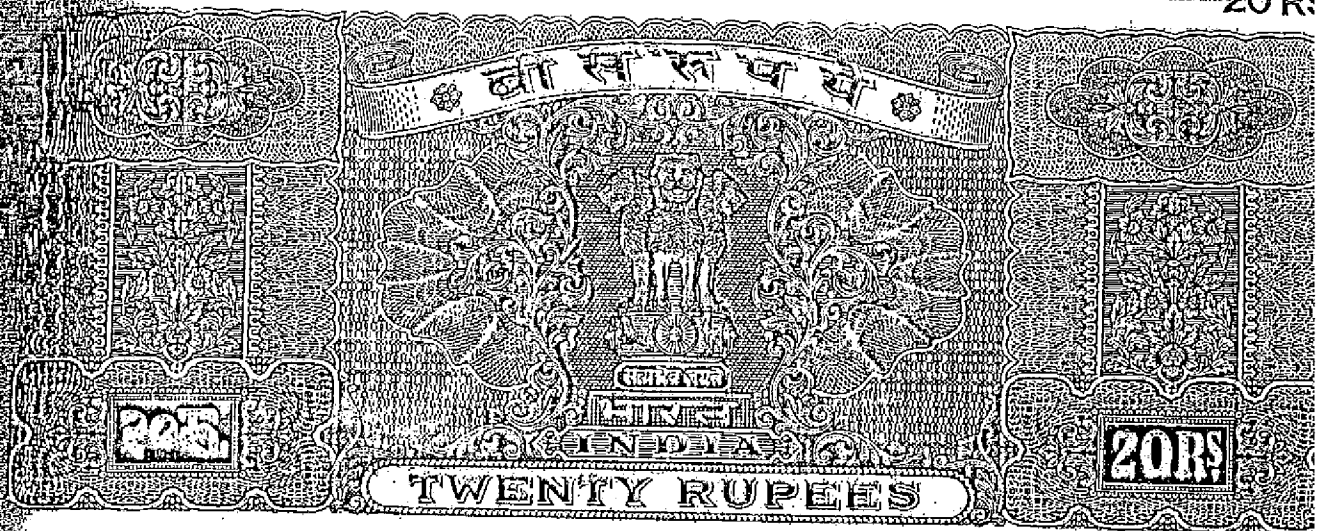
AND WHEREAS the Borrower has by its Resolution dated the 29th day of Jan 2003 passed at the meeting of its Board on the \_\_\_\_\_ day of \_\_\_\_\_ 2003 has agreed to accept the said loan on the said terms and conditions.

AND WHEREAS as per the terms and conditions contained in the Sanction Letter dated 31/12/02 and subsequent addendum dtd.,13/03/03, 2003 the Borrower agrees and undertakes to secure the principal sum of the Term Loan, Interest and other charges by an unconditional and Irrevocable Guarantee by the State Government to cover the loan amount, Interest, penal interest and other charges.

*[Signature]*  
Member Finance  
Meghalaya State Electricity Board  
Shillong

*[Signature]* 24/3/03  
CK. ADHIKARI  
Chief Project Manager  
R.E.C. Project Office  
Lachumter, Shillong-793001.

*[Signature]*



:3:

AND WHEREAS the Borrower has agreed to accept the disbursement of the Term Loan on installments on the terms and conditions contained in the Sanction Letter.

**NOW THIS AGREEMENT WITNESSETH AS UNDER:**

1. REC will lend and advance to the Borrower the Term Loan of Rs160.00 Crore (One Hundred Sixty Crore only) and also to finance cost escalation in the said scheme to the extent of 20% of the loan amount thereby making a total loan of Rs.192.00 Crore (Rupees One hundred Ninety two Crore ) (the "Loan") to be repaid along with interest and other charges over a period of 13 years (Thirteen years.)
2. REC will make disbursement(s) of the Term Loan in installments, on REC being reasonably satisfied with the progress of the Project undertaken by the Borrower and more specifically in terms as laid down in the sanction letter.
3. The Borrower agrees and undertakes to secure the principal sum of the Term Loan, interest and other charges by an unconditional and, irrevocable guarantee by the State Government adequate to cover the loan amount, interest, penal interest and other charges.

*[Signature]*  
Member Finance  
Meghalaya State Electricity Board  
Shillong

*[Signature]*  
CK ADHIKARI  
Chief Project Manager  
R.E.C. Project Office  
Lachumier, Shillong-793001.

*[Signature]*  
Member (Hydro)  
Principal Chief Engineer (Hydro)  
Meghalaya State Electricity Board  
Shillong-793001

4. The Borrower shall repay loan with interest, penal and other charges in accordance with terms and conditions of the sanction letter. The Borrower shall make all payments of principal, interest, penal interest and other charges to REC at its Registered Office at New Delhi.
5. The Borrower shall implement the project in accordance with project report as submitted at the time of application for the grant of loan and shall also adhere to and comply with all such amendments thereto as are approved by REC. The Borrower also agrees to complete the project in the manner and according to the schedules as per terms of sanction letter.
6. The Borrower represents and assures REC that the Term Loan applied for and being granted by REC to the Borrower is within the borrowing powers of and in accordance with the laws and by-laws applicable to it and all formalities required by the laws and by-laws and rules regulating the work and conduct of the Borrower in respect of such borrowing have been fully complied with.
7. To secure REC against financial losses that may arise as a result of dilution of the security charged in favour of REC, on account of any reason whatsoever, the Borrower shall immediately intimate REC in writing about such dilution and/or inadequacy, and shall replace or provide such additional security to the satisfaction of REC, in order to protect the interests of REC against such financial loss that may arise due to the aforesaid reason.
8. The Borrower shall make available for the inspection of REC, as and when called upon to do so, 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 REC, its Agents, Nominees and Authorized Representatives authorised by it for the purpose of carrying out such inspection.

*[Signature]*  
Member Finance  
Meghalaya State Electricity Board  
Shillong

*[Signature]*  
C.K. ADHIKARI  
Chief Project Engineer  
R.E.C. for NE  
Lachumant, Shillong

*[Signature]*  
Member (Hydr.)  
Principal Chief Engineer (TWT)  
Meghalaya State Electricity Board  
Shillong-792 01

9. The Borrower agrees and undertakes to execute, sign, seal and deliver all documents, papers, acknowledgements and other writings as may be required by REC 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 REC in terms of these presents.
10. REC shall without prejudice to its other rights and remedies be entitled to recall the loan or any portion or portions thereof at any time before the due date for repayment thereof, if the Borrower fails to fulfil 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 REC 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.
11. In the event of a default on the part of the Borrower or any breach of the terms and conditions of these presents, Borrower shall be liable to pay to the REC all costs, charges and expenses incurred by REC in connection with the negotiations for the agreement and in respect of the agreement.
12. Neither this agreement nor any of the rights, obligations hereinafter shall be assigned by the Borrower without the prior written consent of REC.
13. No waiver by REC of any breach of this Agreement by the Borrower shall be considered a waiver of any subsequent breach of the same or any other provision.
14. The Borrower agrees that REC shall have the right of assignment of the debt due by the Borrower and securities furnished under these presents to any Financial Institutions, Banks and or to any other Authorities or Agency for the purpose of refinancing etc., and the Borrower undertakes to assist and join hands with REC in furnishing any information, executing documents etc. in connection therewith.

*[Signature]*  
Member Finance  
Meghalaya State Electricity Board  
Shillong

*[Signature]*  
CK. ADHIKARI  
Chief Project Manager  
R.E.C. Project Office  
Lachumier, Shillong-793001.

*[Signature]*  
Member (Hydr.) &  
Principal Chief Engineer (Civil)  
Meghalaya State Electricity Board  
Shillong-793001

15. The Borrower undertakes to indemnify and keep REC saved, defended, unharmed and indemnified against all costs and consequences arising as a result of any act or omission or commission on the part of the Borrower.
16. The Borrower agrees that notwithstanding any other remedy available to REC, these presents create a security interest in REC and REC shall have the prerogative to exercise its rights under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
17. Parties hereto have expressly understood that only the Courts at Delhi shall have exclusive jurisdiction over all matters arising out of or relating to this Agreement.

IN WITNESS WHEREOF the parties hereto have executed these presents on the day, month and year first here-in-above written.

**SIGNED AND DELIVERED**

*[Signature]*  
Chief Project Manager  
(K. Adhikari)  
R.E.C. Project Office  
By Chief Project Manager REC, PO, Shillong  
Lachumter, Shillong-793001,  
By \_\_\_\_\_

on behalf of RURAL ELECTRIFICATION  
Board,  
CORPORATION LIMITED

In the presence of

1. *[Signature]* 24/3/03  
(A. H. LASKAR), Asst.
2. *[Signature]* 24/3/03  
(D. M. KHARBUDON) Sr. Asst.

\*since all the disbursements are made at Delhi and the repayments are received in Corporate Office Delhi, substantial cause of action arises in Delhi, so the jurisdiction over the matter shall fall within the jurisdiction in the Courts at Delhi.

*[Signature]*  
(K. ADHIKARI)  
Chief Project Manager  
R.E.C. Project Office  
Lachumter, Shillong-793001,

**SIGNED SEALED AND DELIVERED**

*[Signature]*  
on behalf of Meghalaya Electricity  
Shillong-1 Member Finance  
Meghalaya State Electricity Board  
Shillong

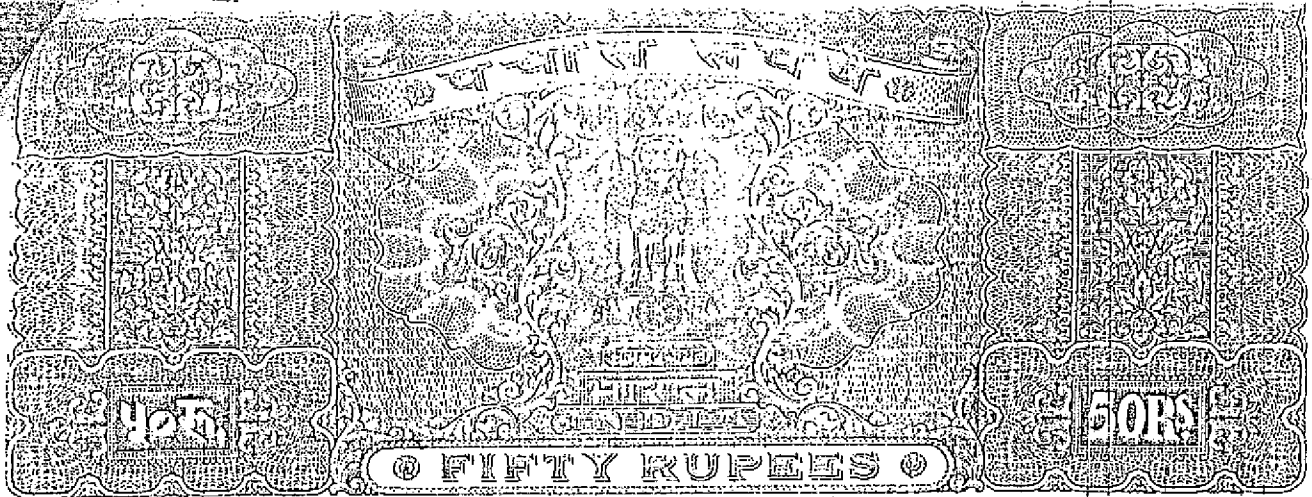
In the presence of

1. *[Signature]* (J. SARMA) Sr. A.O.  
M.S.E.B.
2. *[Signature]* (A. Pakymtein) Asst.  
M.S.E.B.

*[Signature]*  
Member (Hvy.) &  
Principal Chief Engineer (TnL)  
Meghalaya State Electricity Board  
Shillong-793-01.

REC - No 94 Cr

50 Rs.



(LA/TL)

### LOAN AGREEMENT

This Agreement is made at Shillong on this 3<sup>rd</sup> day of March 2006

BETWEEN

Rural Electrification Corporation Limited, a Govt. of India Enterprise, (through its Project Office at Shillong), a Company registered under the Companies Act, 1956 and having its registered office at Core - 4, SCOPE Complex, 7 Lodi Road, New Delhi (hereinafter referred to as 'REC' which expression shall include its successors and permitted assigns) ONE PART


AND


Meghalaya State Electricity Board constituted under section 5 (i) of the Electricity Supply Act, 1948 having its Head Office at Shillong

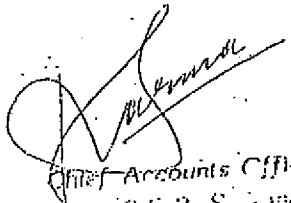
(Hereinafter referred to as "the Borrower", which expression shall include its successors and permitted assigns) OTHER PART.

REC and the Borrower collectively referred to as "Parties" and singularly as a "Party".

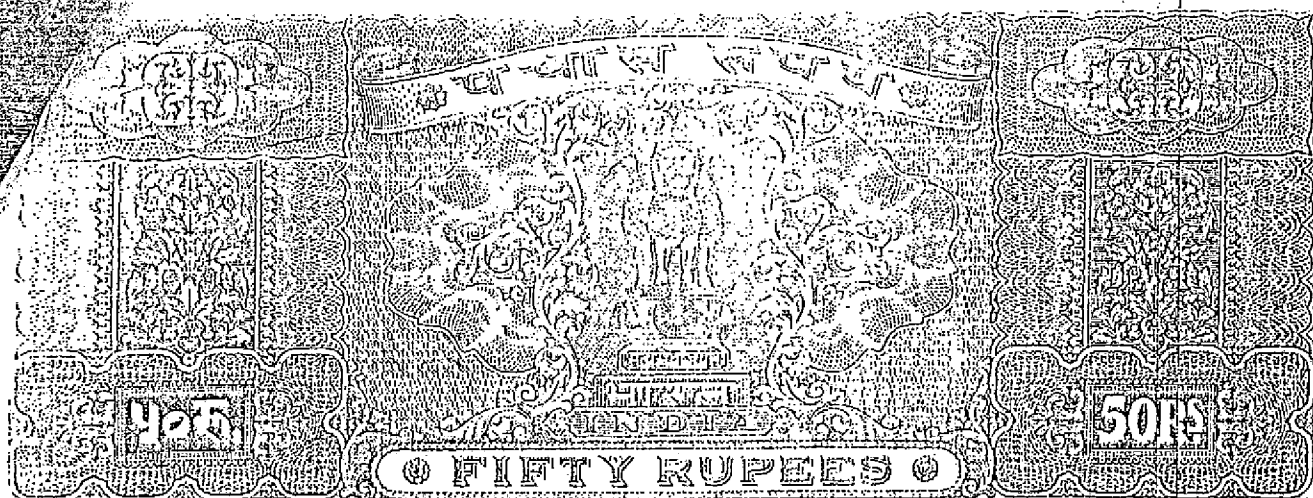
Certified COPY

  
Chief Project Manager  
R.E.C. Project Office  
Lachumier, Shillong-793001

  
Chief Project Manager  
R.E.C. Project Office  
Lachumier, Shillong-793001

  
Chief Accounts Officer  
M.S.E.B. Shillong

50 Rs.



-2-


WHEREAS the Borrower vide letter no. Nil dtd 04/06/2004 has sought financial assistance of Rs. 94 Crore (Rupees Ninety Four Crore) as Term Loan from REC in addition to Rs. 160.00 Crore already sanctioned of the estimated cost of Rs. 363.08 Crore as per the enclosed Annexure A, written hereunder, and forms part and parcel of the present Agreement.


AND WHEREAS REC has agreed to sanction the Term Loan of Rs. Ninety Four Crore only to the Borrower for the purpose(s) aforementioned and has conveyed the sanction of the Term Loan to the Borrower vide its Sanction Letter dated the REC/Hydro Gen./Sanction/Myntdu/2004-05/2208/1069T dtd 13/9/2004 on the terms and conditions stated in the Sanction Letter, (copy whereof is enclosed hereto as Annexure B). The terms and the conditions stated in Annexure B hereof are to be read alongwith the terms and conditions set forth hereinafter and form part and parcel of the present Agreement.

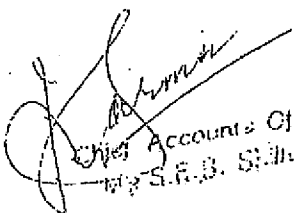
AND WHEREAS the Borrower has by its Resolution dated the 29<sup>th</sup> day of January 2003 to passed at the meeting of its Board on the        day of        has agreed to accept the said loan on the said terms and conditions.

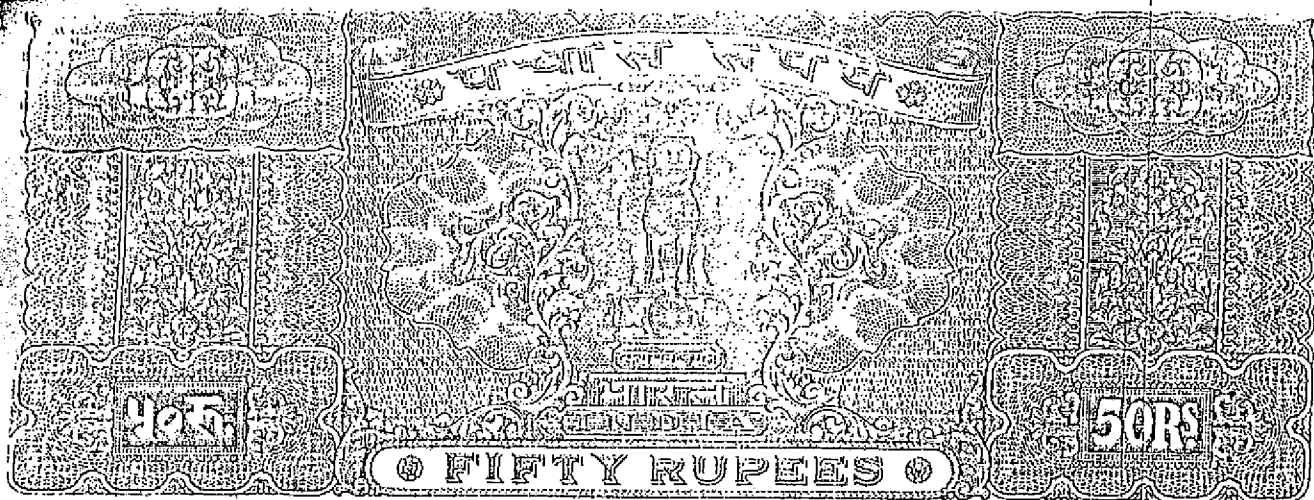
AND WHEREAS as per the terms and conditions contained in the Sanction Letter dated 13/09/04 the Borrower agrees, and undertakes to secure the principal sum of the Term Loan, interest and other charges by an unconditional and Irrevocable Guarantee by the State Government to cover the loan amount, interest, penal interest and other charges.

Certified Copy

  
Chief Project Manager  
R.E.C. Project Office  
Lachumier, Shillong-793001

  
Chief Project Manager  
R.E.C. Project Office  
Lachumier, Shillong-793001

  
Chief Accounts Officer  
R.E.C. Shillong




-3-

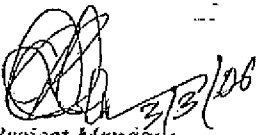
AND WHEREAS the Borrower has agreed to accept the disbursement of the Term Loan on installments on the terms and conditions contained in the Sanction Letter.

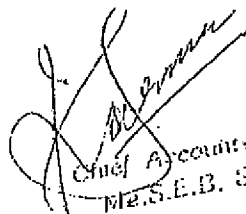
NOW THIS AGREEMENT WITNESSETH AS UNDER:-

1. REC will lend and advance to the Borrower the Term Loan of Rs. 94.00 Crore (Ninety Four Crore only) (the "Loan") to be repaid along with interest and other charges over a period of 13 years (Thirteen years)
2. REC will make disbursement(s) of the Term Loan in installments, on REC being reasonably satisfied with the progress of the Project undertaken by the Borrower and more specifically in terms as laid down in the sanction letter.
3. The Borrower agrees and undertakes to secure the principal sum of the Term Loan, interest and other charges by an unconditional and irrevocable guarantee by the State Government adequate to cover the loan amount, interest, penal interest and other charges.


Certified Copy

  
 Chief Project Manager  
 R.E.C. Project Office  
 Lachumier, Shillong-793001

  
 Chief Project Manager  
 R.E.C. Project Office  
 Lachumier, Shillong-793001

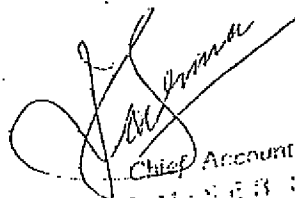
  
 Chief Accounts Officer  
 M.E.S.E.B. Shillong

4. The Borrower shall repay loan with interest, penal and other charges in accordance with terms and conditions of the sanction letter. The Borrower shall make all payments of principal, interest, penal interest and other charges to REC at its Registered Office at New Delhi.
5. The Borrower shall implement the project in accordance with project report as submitted at the time of application for the grant of loan and shall also adhere to and comply with all such amendments thereto as are approved by REC. The Borrower also agrees to complete the project in the manner and according to time schedules as per terms of sanction letter.
6. The Borrower represents and assures REC that the Term Loan applied for and being granted by REC to the Borrower is within the borrowing powers of and in accordance with the laws and by-laws applicable to it and all formalities required by the laws and by-laws and rules regulating the work and conduct of the Borrower in respect of such borrowing have been fully complied with.
7. To secure REC against financial losses that may arise as a result of dilution of the security charged in favour of REC, on account of any reason whatsoever, the Borrower shall immediately intimate REC in writing about such dilution and/or inadequacy, and shall replace or provide such additional security to the satisfaction of REC, in order to protect the interests of REC against such financial loss that may arise due to the aforesaid reason.
8. The Borrower shall make available for the inspection of REC, as and when called upon to do so, 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 REC, its Agents, Nominees and Authorized Representatives authorised by it for the purpose of carrying out such inspection.

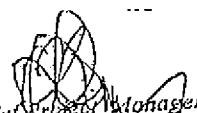
  
Chief Project Manager  
R.E.C. Project Office  
Lachumier, Shillong-793001

Sanitized copy


  
Chief Project Manager  
R.E.C. Project Office  
Lachumier, Shillong-793001

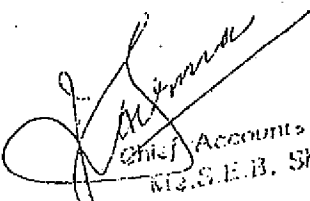
  
Chief Accounts Officer  
M. N. R. Shillong

- y The Borrower agrees and undertakes to execute, sign, seal and deliver all documents, papers, acknowledgements and other writings as may be required by REC 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 REC in terms of these presents.
10. REC shall without prejudice to its other rights and remedies be entitled to recall the Loan or any portion or portions thereof 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 REC 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.
11. In the event of a default on the part of the Borrower or any breach of the terms and conditions of these presents, Borrower shall be liable to pay to the REC all costs, charges and expenses incurred by REC in connection with the negotiations for the agreement and in respect of the agreement.
12. Neither this agreement nor any of the rights, obligations hereinafter shall be assigned by the Borrower without the prior written consent of REC.
13. No waiver by REC of any breach of this Agreement by the Borrower shall be considered a waiver of any subsequent breach of the same or any other provision.
14. The Borrower agrees that REC shall have the right of assignment of the debt due by the Borrower and securities furnished under these presents to any Financial Institutions, Banks and or to any other Authorities or Agency for the purpose of refinancing etc., and the Borrower undertakes to assist and join hands with REC in furnishing any information, executing documents etc. in connection therewith.

  
Chief Project Manager  
R.E.C. Project Office  
Lachumier, Shillong-793001

Certified Copy


  
Chief Project Manager  
R.E.C. Project Office  
Lachumier, Shillong-793001

  
Chief Accounts Officer  
R.E.C.E.B. Shillong

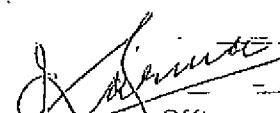
15. The Borrower undertakes to indemnify and keep REC saved, defended, unharmed and indemnified against all costs and consequences arising as a result of any act of omission or commission on the part of the Borrower.
16. The Borrower agrees that notwithstanding any other remedy available to REC, these presents create a security interest in REC and REC shall have the prerogative to exercise its rights under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
17. Parties hereto have expressly understood that only the \*Courts at Delhi shall have exclusive jurisdiction over all matters arising out of or relating to this Agreement.

IN WITNESS WHEREOF the parties hereto have executed these presents on the day, month and year first here-in-above written.

SIGNED AND DELIVERED


  
Chief Project Manager  
R.E.C. Project Office  
By Lachumlan, Shillong-793001  
By (K. ADHIKARI)  
On behalf of RURAL ELECTRIFICATION  
CORPORATION LIMITED

SIGNED SEALED AND DELIVERED

  
Chief Accounts Officer  
M.E.C. Shillong

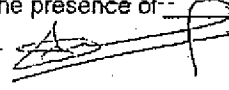
In the presence of

1.

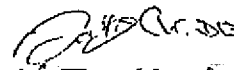
  
03/02/06  
03/02/06

In the presence of

1.

 (E. SHARANG, SE. Hg)  
M.E.C.

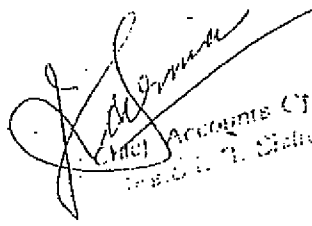
2.

  
O.D. THE MEMBER (HYDRO)  
M.E.C. Shillong-793001

\*Since all the disbursements are made at Delhi and the repayments are received in Corporate Office Delhi, substantial cause of action arises in Delhi, so the jurisdiction over the matter shall fall within the jurisdiction in the Courts at Delhi.

Certified COPY

  
Chief Project Manager  
R.E.C. Project Office  
Lachumlan

  
Chief Accounts Officer  
M.E.C. Shillong

Annexure - ~~XXIX~~ 'B'



MEGHALAYA ENERGY CORPORATION LIMITED

"ACCOUNTS DEPARTMENT"

LUM JINGSHAI SHILLONG - 793001

0364 - 2840610/2370 - 247441

ACT/COMP/TARIFF/LEN/2011/18/261/49

Dated: 04<sup>th</sup> April, 2014.

To,

The Director Generation

MEPGCL, Shillong.

Sub:

Supporting Document for Sources of financing of MLHEP.

Sir,

With reference to the subject cited above, I am enclosing herewith the Supporting Documents in respect of the Sources of Financing of MLHEP for favour of your information.

Enclor: As above

Yours faithfully,

Mrs. S. Rawat,

Chief Accounts Officer.

"Save Energy for the Benefit of Self and Nation"



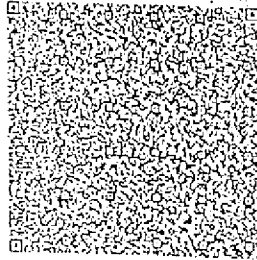
सत्यमेव जयते

# INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No.	: IN-DL64440649788256L
Certificate Issued Date	: 07-Jan-2013 10:57 AM
Account Reference	: IMPACC (IV)/dl806203/ DELHI/ DL-DLH
Unique Doc. Reference	: SUBIN-DL80620328678226513722L
Purchased by	: MEGHALAYA POWER GENERATION CORPORATION LTD
Description of Document	: Article 5 General Agreement
Property Description	: NA
Consideration Price (Rs.)	: 0
	(Zero)
First Party	: MEGHALAYA POWER GENERATION CORPORATION LTD
Second Party	: NA
Stamp Duty Paid By	: MEGHALAYA POWER GENERATION CORPORATION LTD
Stamp Duty Amount(Rs.)	: 100
	(One Hundred only)



Please write or type below this line

This Stamp Paper Forms an integral part of the Amendatory Memorandum of Agreement dated 07-January-2013 executed between Meghalaya Power Generation Corporation Ltd. and Power Finance Corporation Ltd.

*[Signature]*

Director Finance,  
Shillong

AMENDATORY MEMORANDUM OF AGREEMENT

BETWEEN

POWER FINANCE CORPORATION LIMITED

AND

MEGHALAYA POWER GENERATION CORPORATION LIMITED

Loan Nos.: 64102003 (Total 01 Loan)

Dated: January 07, 2012

This Amendatory Memorandum of Agreement is made at New Delhi on this 7<sup>th</sup> day of January, 2013. BETWEEN POWER FINANCE CORPORATION LIMITED, a Government Company incorporated under the Companies Act, 1956, having its Registered Office at Urjanidhi, 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 FIRST PART;

AND

MEGHALAYA POWER GENERATION CORPORATION LIMITED, a Company incorporated under the Companies Act, 1956 having its Head/Registered Office at New Office Complex, Lum Jingshai, Short Round Road, Shillong - 793 001, hereinafter referred to as "the Borrower" or "MePGCL", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns, OF THE OTHER PART;

WHEREAS pursuant to the Memorandum of Agreement dated July 13, 2009, hereinafter referred to as "the Principal MOA" executed between the Meghalaya State Electricity Board (hereinafter referred to as "MeSEB") and the Corporation, the Corporation has acceded to the request of the MeSEB and provided a term loan of Rs. 95.20 Crore (Rupees Three Thousand Two Hundred and Forty Two Crore Only), hereinafter referred to as "the Principal Loan" or "the Principal Facilities" to MeSEB for the purpose of financial assistance for implementation and setting up of 126 MW (3x42 MW) Mynthu Leshka Stage - I Hydro Electric Project (MLHEP) in Jaintia Hills District of Meghalaya (Loan number: 64102003) (hereinafter referred to as "the Project").

*[Signature]*

*[Signature]*

...ance,

AND WHEREAS the Govt. of Meghalaya in exercise of powers conferred by Sections 131 and 133 and other applicable provisions of the Electricity Act, 2003 (Central Act 36 of 2003) has enacted The Meghalaya Power Sector Reforms Transfer Scheme 2010, (hereinafter referred to as the "Scheme") and has in order to reorganizing and transfer of the activities of the erstwhile Meghalaya State Electricity Board has vide Gazette Notification No. POWER-79/2009/290, dated 31<sup>st</sup> March, 2010, read with notification dated 31<sup>st</sup> March, 2012, (hereinafter referred to as the "said notification") has transferred the assets, liabilities etc relating to the generation undertakings of the unbundled Board to the successor generating company MePGC.

AND WHEREAS pursuant to the Loan Transfer Agreement dated January 07, 2013 (hereinafter referred to as "the Loan Transfer Agreement") executed between the MePGCL and the Corporation, the assets and liabilities relating to the Project and the Principal Loan has been transferred to the Borrower.

AND WHEREAS the Borrower has thereafter approached the Corporation vide its letter no. ACB/712/200/Pt-III/2008-09/39, dated 4<sup>th</sup> December, 2008, for the enhancement of loan amount under Loan No. 64102003, sanctioned for setting up of the Project, in the State of Meghalaya and for the sanction of an additional amount of Rs. 145.00 Crore (Rupees One Hundred and Forty-Five Crore Only) thereby enhancing the Principal Facilities from the existing limit of Rs. 95.20 Crore (Rupees Three Thousand Two Hundred and Forty-Two Crore Only) to Rs. 240.20 Crore (Two Hundred Forty Crore and Twenty Lakh Only).

AND WHEREAS the Corporation has vide its Letter of Sanction No. 03:04:MeSEB:64102003:2008, dated March 2, 2009 read with Sanction Letter No. 03:22/Meghalaya/MePGCL/Myntda Leshka stg-I/Vol-II/64102003, dated April 5, 2011 read with Amendatory Sanction Letter No. 03:22:Meghalaya:MeSEB:Myntda Leshka St-II/Vol-II:64102003, dated August 26, 2011, read with Amendatory Sanction Letter No. 03:22:Meghalaya:MESEB:Myntdu Leshka St II: Vol II:64102003 dated 31-Jan-2012, read with Amendatory Sanction Letter No. 03:22:Meghalaya:MESEB:Myntdu Leshka St II: Vol II:64102003 dated 02-April-2012, read with Amendatory Sanction Letter No. 03:22:Meghalaya:MESEB:Myntdu Leshka St II: Vol II:64102003 dated 01-Jan-2013 read with Amendatory Sanction Letter No. 03:22:Meghalaya:MESEB:Myntdu Leshka St-II: Vol II:64102003 dated 07-Jan-2013 (hereinafter referred to as "Letter of Sanction") has accepted the request of the Borrower for the sanction of an additional amount of Rs. 145.00 Crore (Rupees One Hundred and Forty-Five Crore Only) and has enhanced the sanctioned loan amount for the implementation and setting up the Project in Jaintia Hills District of Meghalaya (hereinafter referred to as "the Projects") from the existing Rs. 95.20 Crore (Rupees Three Thousand Two Hundred and Forty-Two Crore Only) to Rs. 240.20 Crore (Two Hundred Forty Crore and Twenty Lakh Only) (hereinafter referred to as

*Ant*

*Shankar*

"the Aggregate Loan Amount" or "the Aggregate Facilities") and has thereby sanctioned an additional amount Rs. 145.00 Crore (Rupees One Hundred and Forty-Five Crore Only), hereinafter referred to as "the Additional Loan" or "the Additional Facilities" on the same terms and conditions of the Principal MOA save and as contained in the Letter of sanction.

AND WHEREAS the Borrower has by its Board resolution dated June 25th, 2012 passed at a meeting on the 25<sup>th</sup> day of June, 2012, has agreed to accept the Additional Loan of Rs. 145.00 Crore (Rupees One Hundred and Forty-Five Crore Only) [Aggregate Loan Amount of Rs. 240.20 Crore (Two Hundred Forty Crore and Twenty Lakh Only)] on the same terms & conditions as mentioned in the Principal MOA and Letter of Sanction.

AND WHEREAS as per the Corporation's Letter of Sanction, and other financing documents and in compliance with the terms, conditions and covenants contained therein, the Additional Facilities along with the Principal Facilities together with all interest, additional interest, costs, fees, charges and expenses and other monies whatsoever stipulated in this Agreement/Letter of Sanction shall be secured by:


- a) a First charge by way of mortgage, in favour of the Corporation in the form satisfactory to the Corporation, on all the Borrower's immovable properties/other assets of the Project, present and future and;
- b) a First charge by way of Hypothecation in favour of the Corporation of all the Borrower's movable assets created/to be created at the Project, in the State of Meghalaya, both present and future, including its movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at Project site, present and future, as fully described in the Schedule to the Principal MoA, save prior charged created and/or to be created.


NOW, THEREFORE, in consideration of the foregoing and other good and valid consideration, the receipt and adequacy of which are hereby expressly acknowledged, the Parties hereby agree as follows:

- 1) That the original clause 1,2 and clause 14 of the Memorandum of Agreement, December 12, 2007 is hereby replaced and read as follows:-

Clause 1:

"The Corporation will lend and advance to the Borrower a total sum of Rs. 240.20 Crore (Two Hundred Forty Crore and Twenty Lakh Only) on the terms and conditions set out in



  
Finance,  
Bang.

the Corporation's Letter of Sanction No. 03:04:MeSEB:64102003:2008, dated March 2, 2009 read with Sanction Letter No. 03/22/Meghalaya/MePGCL/Myntda Leshka stg-I/Vol-II/64102003, dated April 5, 2011 read with Amendatory Sanction Letter No. 03:22:Meghalaya:MePGCL:Myntda Leshka st-II/Vol-II:64102003, dated August 26, 2011, read with further Amendatory Sanction Letter No. 03:22:Meghalaya:MESEB:Myntdu Leshka St II: Vol II:64102003 dated 26-Nov-2012 and on the terms and conditions herein set out. The said letters shall form part of this Agreement as Anneuxre -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."

Clause 2:

"The Borrower shall repay to the Corporation the amount of the said loan with interest, interest tax, service charges, penal interest, interest on unpaid 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 Corporation's Letter of Sanction No. 03:04:MeSEB:64102003:2008, dated March 2, 2009 read with Sanction Letter No. 03/22/Meghalaya/MePGCL/Myntda Leshka stg-I/Vol-II/64102003, dated April 5, 2011 read with Amendatory Sanction Letter No. 03:22:Meghalaya:MePGCL:Myntda Leshka st-II/Vol-II:64102003, dated August 26, 2011, read with further Amendatory Sanction Letter No. 03:22:Meghalaya:MESEB:Myntdu Leshka St II: Vol II:64102003 dated 26-Nov-2012. The Borrower shall make all payments of principal, interest, interest tax, service charges, penal interest, interest on unpaid interest other expenses etc to the Corporation at its Registered Office at New Delhi."

Clause 8:

"The Borrower undertakes that:-

- i. It 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 upto date to the Corporation is fully paid.
- ii. It shall not sell / transfer or abandon the project at any stage in any manner whatsoever without prior written consent of the Corporation.
- iii. In case of sale / transfer / abandonment of the project or assets, it shall pay to the Corporation the entire outstanding dues in one installment or in a manner as may be agreed between PFC and the borrower before such transfer is effected.

*[Signature]*

*[Signature]*  
Sector Finance,  
Shillong.

- iv. 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.
- v. It shall obtain all statutory and non-statutory clearances as and when required during the implementation of the Project.
- vi. It will not make any investment in a scheme for which approval has been denied by MSERC.
- vii. It shall intimate any communication from MSERC about this Project to the Corporation and it has intimated MSERC the investment in the Project/Scheme.
- viii. It abides by Clause "172 Transitional Provisions" of the Electricity Act, 2003.
- ix. It shall submit evidence that the investment in the project/scheme has been intimated to the MeERC.
- x. Regular flow in Escrow Account based on the requirement of RFC will be assured.

2)-That This Amendatory MOA shall be read in conjunction with the provisions of the Principal MOA and Letter of Sanction. Therefore all other terms and conditions of the Principal MOA and letter of sanction except to the extent as modified vide this agreement shall remain in full force & effect and continue to be binding on the Borrower.

*[Signature]*

*[Signature]*  
Director Finance,  
MePGCL, Shillong.

IN WITNESS WHEREOF, the Corporation and the Borrower hereto have caused this Agreement to be executed and acknowledged by their respective officers or representatives hereunto duly authorized, as of the date first above written.

SIGNED AND DELIVERED BY

For and on behalf of POWER FINANCE CORPORATION LIMITED

Signature

Name & Designation : Shri Amit,

Assistant Manager, (L&D),

Power Finance Corporation Ltd.

Address: Urja Nidhi, 1, Barakhamba Lane,

Connaught Place, New Delhi - 110001.

Tel. No. 011-23456849 & Fax No. 011-23456882

in the presence of

Signature

Name & Designation : Dhruv Yadav Officer (MER & WB)

Address: Urja Nidhi, 1, Barakhamba Lane,

Connaught Place, New Delhi - 110001

Tel. No. 011-23456849 & Fax No. 011-23456882

SIGNED AND DELIVERED BY

For and on behalf of MEGHALAYA POWER GENERATION CORPORATION LIMITED

Signature

Name & Designation: Shri

Director Finance,  
MEPGL, Shillong

Address: MEGHALAYA POWER GENERATION CORPORATION LIMITED

New Office Complex, Lim Jingshai,

Short Round Road, Shillong - 793 001

in the presence of G. S. PATRA

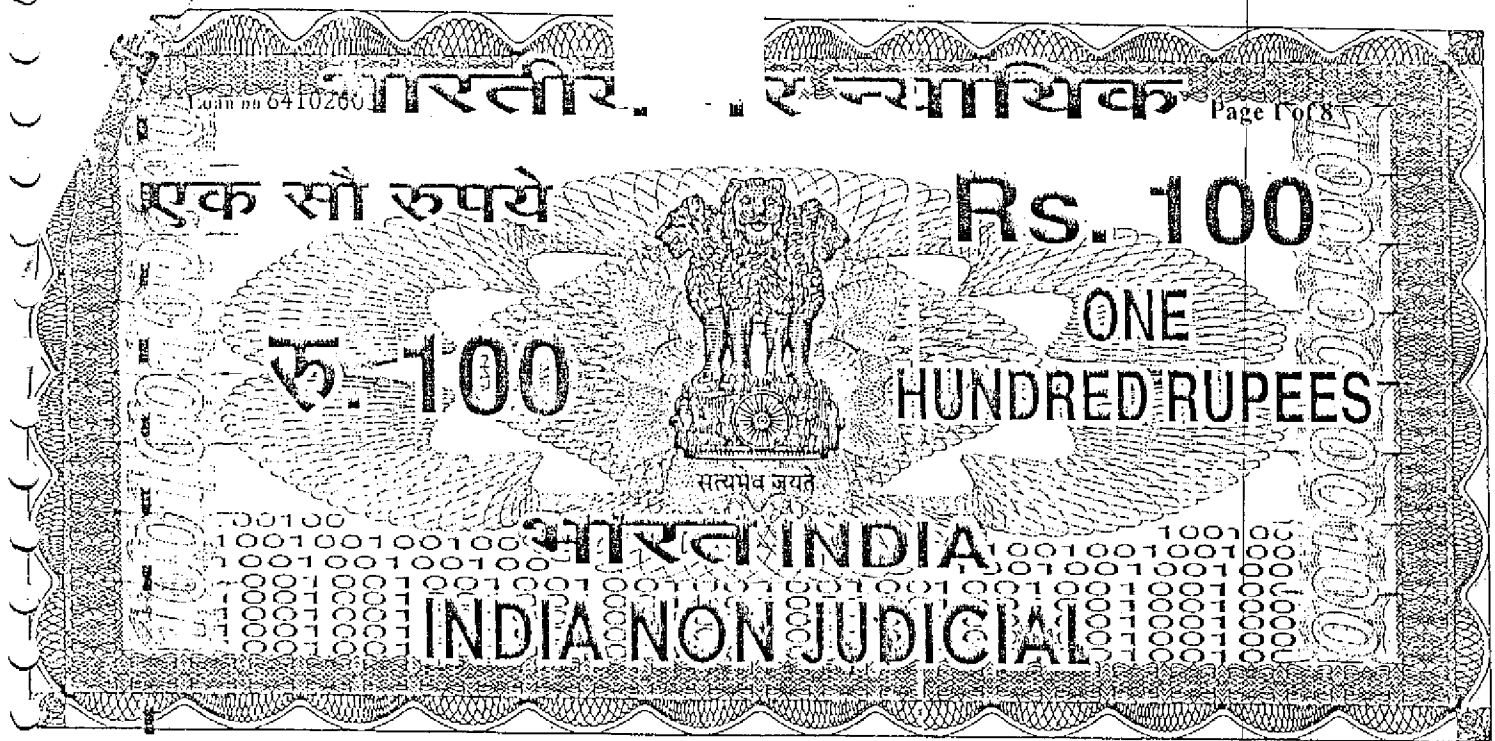
Signature

Name & Designation : G. S. PATRA, GM

Address: Urja Nidhi, 1, Barakhamba Lane,

Connaught Place, New Delhi - 110001.

Tel. No. 011-23456849 & Fax No. 011-23456882



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MEMORANDUM OF AGREEMENT  
BETWEEN  
POWER FINANCE CORPORATION LIMITED  
AND  
MEGHALAYA STATE ELECTRICITY BOARD

LOAN NUMBER: 64102003

Memorandum of Agreement

made the 13<sup>th</sup> day of July, 2009 between **POWER FINANCE CORPORATION LIMITED**, (a Government of India Undertaking), having its Registered Office at "Urja Nidhi" Building, 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 successor and assigns) of the **One Part** And **MEGHALAYA STATE ELECTRICITY BOARD**, constituted under the Electricity Supply Act, 1948, having its Head/Registered Office at New Office Complex, Lum Jingshai, Shillong - 793 001 (hereinafter referred to "**the Borrower**" which expression shall, unless it be repugnant to the subject or context thereof, include its successor and assigns) of the **Other Part**.

श्रीमान श्री. राजेश गुप्ता  
ज्येष्ठ वित्त प्रबंधक (ल. & डी)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जा निधि" बिल्डिंग, 1, बरखम्बा लैन्, कनॉट प्लेस,  
नई दिल्ली-110001  
New Delhi-110001

Member Finance,  
Me.S.E.B., Shillong

Loan no 64102003

WHEREAS the Borrower has undertaken/ execution of Myntdu Leshka Stage - I at Jaintia Hills district in the State of Meghalaya, (hereinafter referred to as "the Project").

AND WHEREAS the Borrower by its letter no. ACB/712/200/pt-III/2008-09/39 dt. 04-12-2008, made an application to the Corporation for grant of a loan for financing of the Project involving total cost of Rs. 119.00 Crore only (Rupees One Hundred and Nineteen Crore) to be utilised for putting through the Project by the Borrower.

AND WHEREAS the Corporation has sanctioned a loan of Rs. 95.20 Crore only (Rupees Ninety Five Crores Twenty Lakhs Only) to the Borrower for meeting part expenditure for the purpose of the execution of the said Project on the terms and conditions contained in the Corporation's sanction letter no. 03:04:MeSEB:64102003:2008 dated 02.3.2009 to the Borrower conveying sanction of the loan and on the terms and conditions set out in the said letter and hereunder written.

AND WHEREAS the Borrower has by its Board Resolution dated 08.7.2009 passed by circulation by its Board has authorized **Shri D.P. Wahlang, IAS, Member Finance** of the Borrower to accept the final terms and conditions of the said loan and **Shri D.P. Wahlang, IAS, Member Finance** of the Borrower has accepted and approved the borrowing of the said loan on the terms and conditions of the Corporation's sanction.

AND WHEREAS according to one of the conditions of the loan, the Borrower is required to secure the loan by creating a first charge, by way of mortgage, in favour of the Corporation, on all the Borrower's immovable properties / other assets of Myntdu Leshka Stage-I project, both present and future and first charge by way of hypothecation in favour of the Corporation of all the Borrower's movable assets (save & except book debts), including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at Myntdu Leshka Stage-I project site, present and future, save prior charges created and / or to be created, for due repayment by the Borrower of the loan together with interest (including penal interest), costs, expenses, interest tax, as may be applicable from time to time, other expenses etc. thereon and/or any additional amount(s) that become payable under this agreement.

AND WHEREAS the Borrower has agreed to create:-

- a) a first charge, by way of mortgage, in favour of the Corporation in a form satisfactory to the Corporation, on all the Borrower's immovable properties / other assets of Myntdu Leshka Stage-I project, both present and future;

And

RECEIVED BY THE ASSISTANT MANAGER (L & D)  
MESEB LTD. / P.E.C. Ltd.  
MESEB LTD. / P.E.C. Ltd.  
MESEB LTD. / P.E.C. Ltd.  
MESEB LTD. / P.E.C. Ltd.

*Wahlang*  
Member Finance,  
Me.S.E.B., Shillong

- b) a first charge by way of hypothecation in favour of the Corporation of all the Borrower's movable assets (save & except book debts), including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at Myntdu Leshka Stage-I project site, present and future, save prior charges created and / or to be created,

for due repayment by the Borrower of the loan together with interest (including penal interest), costs, expenses, interest tax, as may be applicable from time to time, other expenses etc. thereon and/or any additional amount(s) that become payable under this agreement.

**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. 95.20 Crore only (Rupees Ninety Five Crores Twenty Lakhs Only) on the terms and conditions set out in the Corporation's said letter no. 03:04:MeSEB:64102003:2008 dated 02.3.2009 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 and amendments thereof will 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, liquidated damages, 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 letter of the Corporation dated 02.3.2009. The Borrower shall make all payments of principal, interest, interest tax, service charges, commitment charges, penal interest, etc. 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 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, required by the laws and bye-laws and rules regulating

STATE BANK OF INDIA  
 Mr. M. L. GUPTA  
 (Sd/-) Joint Manager (L & D)  
 SBI, P.F.C. Ltd.  
 1st Floor, Connaught Place,  
 New Delhi-110001

Member Finance,  
 Me.S.E.B., Shillong

the work and conduct of the Borrower in respect of such borrowing have been fully complied with.

6. a) The Borrower has further agreed to create:-
- i. a first charge, by way of mortgage, in favour of the Corporation in a form satisfactory to the Corporation, on all the Borrower's immovable properties / other assets of Myntdu Leshka Stage-I project, both present and future;

And

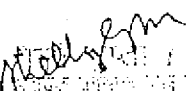
- ii. a first charge by way of hypothecation in favour of the Corporation of all the Borrower's movable assets (save & except book debts), including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at Myntdu Leshka Stage-I project site, present and future, save prior charges created and / or to be created, for due repayment by the Borrower of the loan together with interest (including penal interest), costs, expenses, interest tax, as may be applicable from time to time, other expenses etc. thereon and/or any additional amount(s) that become payable under this agreement.
- b) The Borrower shall 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.
- c) 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.
- d) The Borrower further undertakes to open / enhance an Escrow Account for the entire duration of the loan with the prescribed coverage ratio (presently 1.1 times) applicable in case of the Borrower to the satisfaction of the Corporation.
7. Borrower shall furnish to the Corporation such periodical returns of the workings and with regard to the utilisation of the amount of the loan and the progress of the project as may be required by the Corporation.

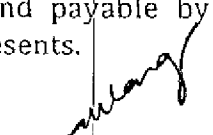
## 8. The Borrower undertakes that;

- i. It 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. It shall not sell/transfer or abandon the project at any stage in any manner whatsoever without prior written consent of the Corporation.
- iii. In case of sale/ transfer/ abandonment of the project or assets, it shall pay to the Corporation the entire outstanding dues in one installment or in manner as may be agreed between Corporation and the Borrower before such transfer is effected.
- iv. 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.
- v. It shall obtain all statutory and non - statutory clearances as and when required during the implementation of the Project.
- vi. It will not make any investment in a scheme for which approval has been denied by MSERC.
- vii. It shall intimate any communication from MSERC about this Project to the Corporation and it has intimated MSERC the investment in the Project / Scheme.
- viii. It abides by Clause "172 Transitional Provisions" of the Electricity Act, 2003.

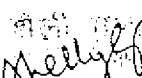
9. The Borrower shall make available for the inspection of the Corporation all its books of account and other books and documents maintained by it and/or required to be maintained by it under any laws, bye-laws or rules of the Borrower and allow all facilities to the Corporation or any persons authorised 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 accounts, records and documents relating thereto at any time.

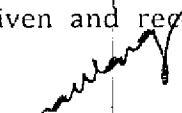
10. The Borrower agrees and undertakes to execute, sign, seal and deliver all documents, papers, acknowledgements and other writings as may be required by the Corporation at any time during the pendency of this Agreement, more fully and effectively securing the moneys due and payable or to become due and payable by the Borrower to the Corporation in terms of these presents.

  
SHELLY GUPTA  
Asst. Manager (L & D)  
P.F.C. Ltd.  
Connaught Place,  
New Delhi- 110001

  
Member Finance,  
Me.S.E.B., Shillong

11. 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.
12. 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 organisation or to be abandoned, the entire outstanding (e.g. principal, interest, interest tax, commitment charges, penal interest, etc.) due from the Borrower shall be paid to the Corporation before any such transfer is affected.
13. 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, creation of mortgage, hypothecation 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 of the Corporation raising the demand on the Borrower failure to pay/ reimburse the same. The Corporation shall be entitled to claim interest thereon at the prevailing rate of interest applicable to the loan at the time.
14. 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 realisation/recovery of the outstanding dues.
15. 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.
16. 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) and shall be deemed to have been given and received, if

  
SHILLY GUPTA  
Joint Managing Director (L & D)  
P.F.C. Ltd.  
कॉन्ट प्लेस,  
New Delhi-110001

  
Member Finance,  
Me.S.E.B., Shillong

delivered by hand, upon delivery, if sent by mail, the 3<sup>rd</sup> day (excluding Saturday, Sunday and other closed days) following the date of mailing. The mailing address, telephone number and facsimile number of the Borrower and the Corporation for purposes shall respectively be :

for the Borrower:- Meghalaya State Electricity Board  
New Office Complex  
Lum Jingshai  
Shilong - 793 001

For the Corporation:- Power Finance Corporation Ltd.  
Urja Nidhi, 1- Barakhamba Lane,  
Connaught Place,  
New Delhi - 110001

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

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

*Shelly Gupta*  
शेली गुप्ता / SHELLY GUPTA  
सहायक प्रबंधक (एन. डी.) / Asstt. Manager (L & D)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"उर्जा निधि" 1- बारखम्बा लान, कनॉट प्लेस,  
नई दिल्ली-110001 / New Delhi- 110001

*Member Finance*  
Member Finance,  
Me.S.E.B., Shillong

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 MEGHALAYA STATE ELECTRICITY BOARD)

Signature .....

Name & Designation ... Member Finance,  
Me.S.E.B., Shillong

Address ... Lumjingshai, Shillong,

in the presence of .....

Signature .....

Name & Designation ..... G. S. PATRA, AGM

Address ..... PFC, New Delhi

SIGNED AND DELIVERED BY

(on behalf of POWER FINANCE CORPORATION LIMITED)

Signature ...

Name & Designation : श्रीमती गुप्ता / SHELLY GUPTA  
सहायक प्रबंधक (एल एंड डी) / Asst. Manager (L & D)

Address : पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जानिधि" 1, बाराखंबा लेन, कनॉट प्लेस,  
नई दिल्ली-110001 / New Delhi- 110001

in the presence of .....

Signature .....

Name & Designation : टी. गोपाल कृष्णा / T. V. Gopala Krishna  
सहायक प्रबंधक (एल एंड डी) / AM (L&D)

Address : पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जानिधि" 1, बाराखंबा लेन, कनॉट प्लेस,  
नई दिल्ली-110001 / New Delhi- 110001

00167501



Ministry of Finance  
Government of India

For the Government of India

Shillong, 12th July 1960

Shillong, 12th July 1960

Shillong, 12th July 1960

Shillong, 12th July 1960

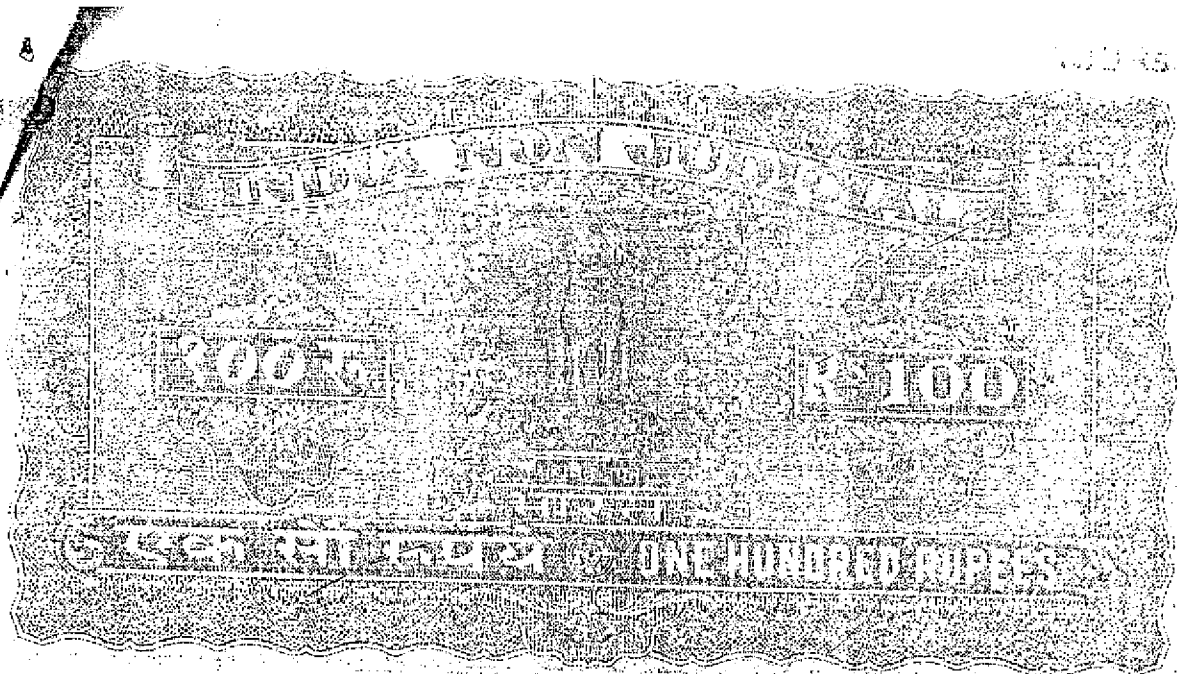
Shillong, 12th July 1960

Shillong, 12th July 1960

*Shillong*  
Member Finance,  
Me. S.E.B., Shillong.

Shillong, 12th July 1960

Shillong,  
Me. S.E.B., Shillong.



DECLARATION OF RECEIPT

The sum of 25 Shillong 25 Shillong

and the sum of 25 Shillong 25 Shillong

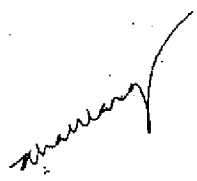
and the sum of 25 Shillong 25 Shillong

and the sum of 25 Shillong 25 Shillong

Member  
Me. S.E.B.

*Member Finance*  
Me. S.E.B., Shillong.

- 4
- d) the borrower shall not, nor any agent, employee or representative of the borrower, nor any other bank/branch or company, any other act without the knowledge or consent of the bank which may jeopardize the interest of the bank.
  - e) the occurrence of any circumstances which is prejudicial, prejudicial or likely to prejudice, impair, harm or the interest of the bank.
  - f) the occurrence of any event or circumstance which would likely, prejudicial or adversely affect in any manner the capacity of the borrower to pay the loan.
- 5) That the question whether any of the above events has happened or not, the decision of the bank shall be conclusive and binding on the borrower.
- 6) That the Borrower agrees to accept the correctness of any sum claim by the bank to be due from the Borrower under these presents. A statement of the account issued out from the Books of account of the bank signed by the authorised officer of the bank without production of any other voucher, account, paper or ledger and accepted by the Borrower as a correct and evidence of their liability to the Bank under these presents.
- 7) The Borrower shall make and furnish to the Bank all such statement, return, information etc. which the Bank may demand in writing from time to time.
- 8) That the Bank on demand in writing by the Borrower shall forthwith deliver statement of the account and / or such other statement, information, etc relating to the loan to the borrower.
- 9) That any notice given by the Bank under these presents shall be deemed to have been delivered to the borrower, if delivered to its then office, residential or if given to its then added Registered Office at the address registered with the Bank, which such address is then the actual address of the Borrower or not.
- 10) In case during continuance of this agreement the constitution of the borrower is changed or either due to operation of law or otherwise, such change shall not affect the right of the Bank nor shall it discharge the borrower from the liability under these presents.

  
Member Finance,  
Me. S.E.3, Shillong.

Witnessed

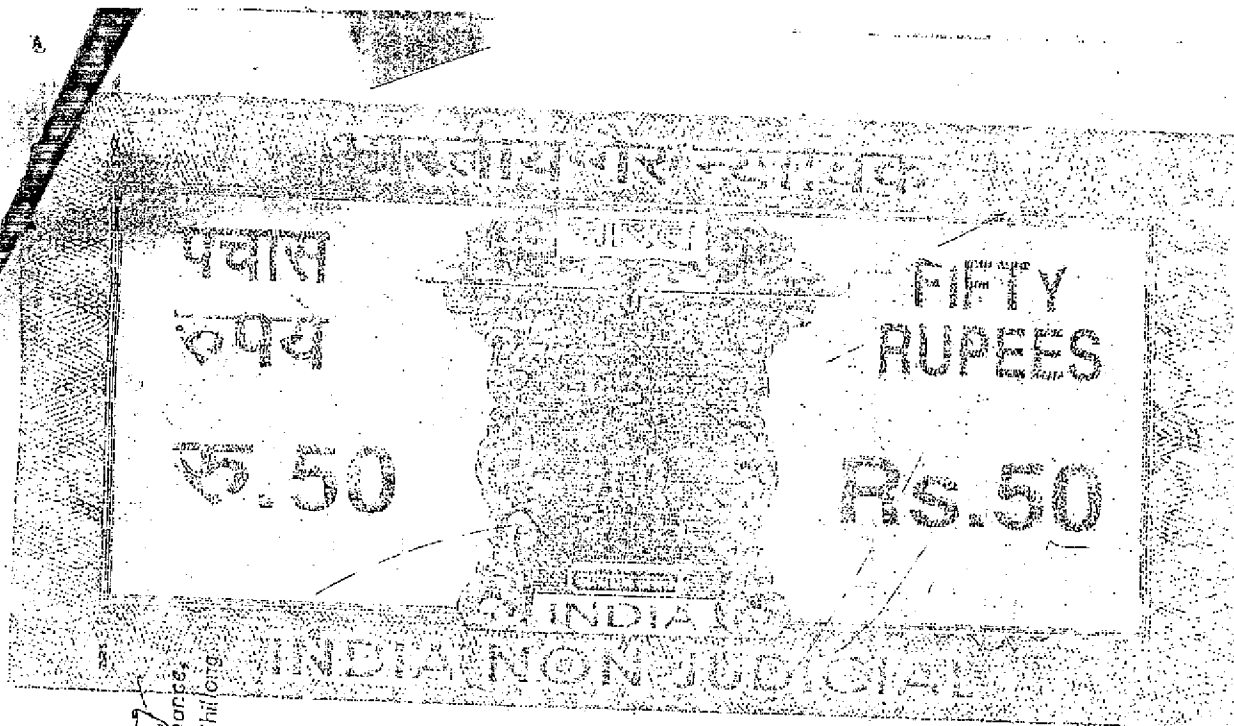
Chief Accounts Officer  
Ms. S.E.B., Shillong.

Deputy Chief Accounts Officer  
Ms. S.E.B., Shillong.

Member Finance,  
Ms. S.E.B., Shillong.

FOR THE CENTRAL BANK OF INDIA

Office of the Cash Manager,  
Shillong Branch, Shillong District.



*Shillong*  
Member Finance,  
M.E. S.E.B., Shillong

**CONSENT OF DISCLOSURE  
(TO BE EXECUTED BY BORROWER/S)**

I/We understand that as a pre-condition, relating to grant of the loans /advances/ other non-fund based credit facilities to me/us, Central Bank of India, Chander Mukhi, Nariman Point, Mumbai - 400021, requires my/our consent for the disclosure of the bank of, information and data relating to me/us, of the credit facility availed of/to be availed, by me/us, obligations assumed/to be assumed, by me/us, in relation there to and default, if any, committed by me/us, in discharge thereof.

2. Accordingly, I/ we, Hereby agree and give consent for disclosure by Central Bank of India, Chander Mukhi, Nariman Point, Mumbai - 400021, of all or any such.

- (a) information and data relating to me/us;
- (b) the information or data relating to any credit facility availed of/to be availed, by me/us and
- (c) default, if any committed by me/us, in discharge of my/ or such obligation, as Central Bank of India, Chander Mukhi, Nariman Point, Mumbai - 400021, may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau(India) Ltd. and any other agency authorised in this behalf by RBI.

3. I/We, declare that the information and data furnished by me/us to Central Bank of India, Chander Mukhi, Nariman Point, Mumbai - 400021, are true and correct.

4. I/We, undertake that:

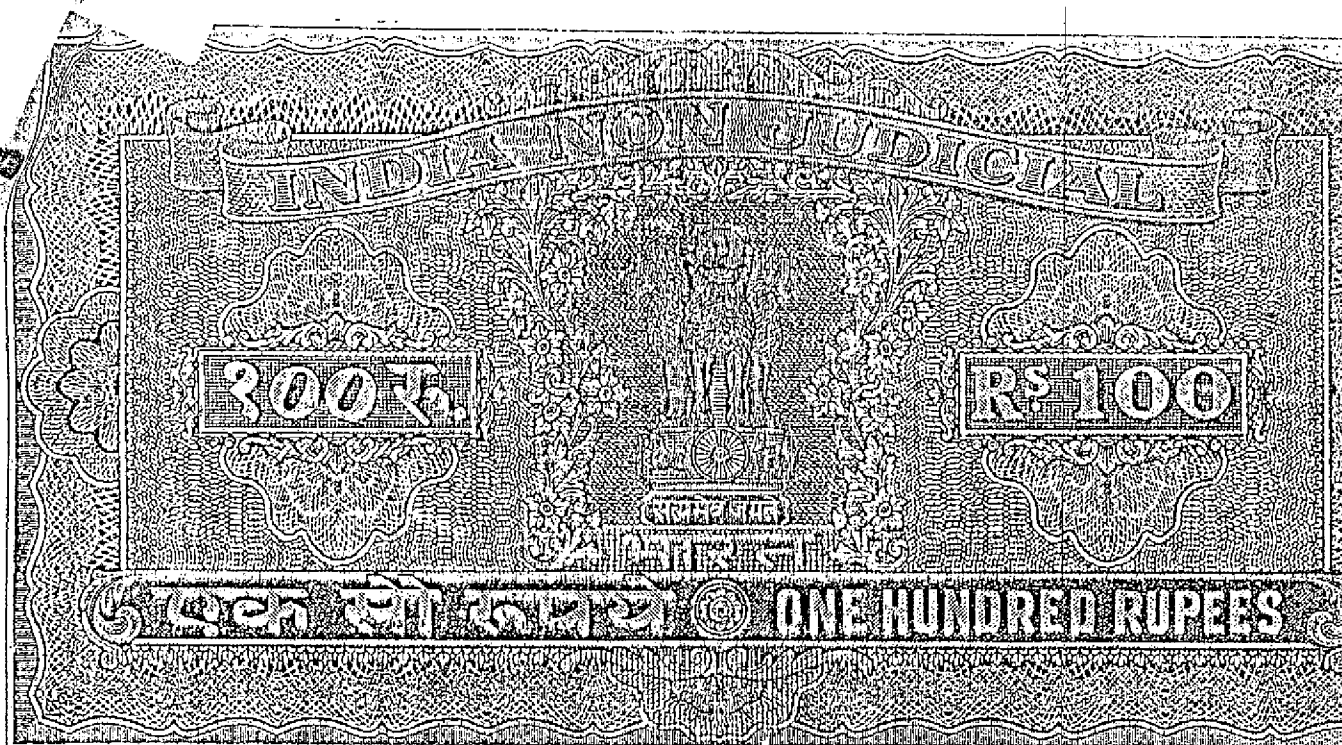
(a) the Credit Information Bureau (India) Ltd. and any other agency so authorised may use, process the said information and data disclosed by the bank in the manner as deemed fit by them; and

(b) the Credit Information Bureau (India) Ltd. and any other agency so authorised may furnish for consideration, the processed information, and data or products thereof prepared by them, to banks/financial institutions and other credit grantors or registered users, as may be specified by the Reserve Bank in this behalf.

PLACE

*Shillong*

*mg*



### AGREEMENT FOR RE-SCHEDULING

This agreement executed on this the 23rd day of December, 2010 in favour of The Federal Bank Ltd, a Banking Company incorporated in India under the Companies Act 1956 and having its Registered Office at Alwaye, Kerala and a branch office among other places at Shillong (hereinafter referred to as the 'Bank' which expression wherever the context so requires shall also include its successors and assigns) By Meghalaya Energy Corporation Limited (MeECL), a limited company having its registered office at New Office complex, Lum Jingshai, Shillong 793001 ..(incorporate name and particulars of all borrowers/co-obligants/ guarantors to the loan transaction) (hereinafter called the 'Borrowers' which expression shall wherever the context requires mean and include their successors and assigns).

For Meghalaya Energy Corporation Limited For Meghalaya Energy Corporation Limited

*D P Wahlang*  
D P Wahlang

Director Finance

Copy  
For The Federal Bank Ltd

*S. yngdoh*  
S. yngdoh

Chief Accounts Officer

*Director Finance,*  
Director Finance,  
Me ECL, Shillong.

*Chief Accounts Officer*  
Chief Accounts Officer,  
Me ECL, Shillong

Whereas the borrowers have been availing various credit facilities from the Bank for the purpose of acquisition /purchase of equipments/assets/furniture and fixtures/vehicles/vessels/plant and machineries/construction of the Myntdu Leshka Hydro Electric Project at Village Amalarem, District Jaintia Hills, Meghalaya.. since the year 1979, on executing various loan documents and on furnishing primary /collateral securities. The details of credit facilities presently outstanding in the name of borrowers, granted on the basis of loan documents executed on 29/10/2009.. and particulars of primary / collateral securities are mentioned below.

a. Details of credit facilities.

Nature of Facility	Limit	Balance as on 23/12/2010.
1. Term Loan	Rs5000 Lakh	Rs51,28,50,791.00

(hereinafter collectively referred to as (" the said term loan"))

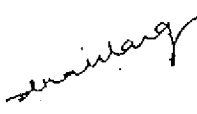
Details of Securities. Primary Securities -( Paripasu first charge on Plant and Machinery and other project assets ie (2 X 42 + 1 X 42 ) MW Hydel based power project at Myntdu Leska, Meghalaya at a project cost of Rs 965.93 crore)

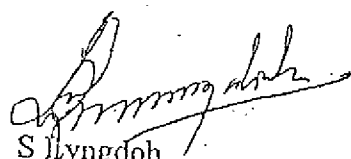
1. Collateral securities.

- (c) Details of Additional securities . 1. Guarantee of State Govt of Meghalaya and 2. Escrow account in the form of a current account with an average balance of Rs 3.00 crore from the existing revenue.


Whereas as per the original terms and conditions of the said term loan as agreed to by the Borrower/s and the guarantor/s, the principal amount of Rs5000.00 lakh ( Rupees fifty crores only ) was to be repaid in 84 equal monthly instalments/ quarterly instalments starting from 29/10/2009. and the interest accrued thereon at the rate of 9.95% with monthly rest up to ..(date) within a period of 96months. And Whereas at present a total amount of Rs 51,28,50,791.00.(Rupees Fifty one crore twenty eight lakhs fifty thousand seven hundred and ninety one only ) together with interest @ 9.95 % per annum with monthly /quarterly rests from 30/09/2010. and other charges is outstanding and payable by the Borrower/s / Guarantor/s under the said term loan as on 30/09/2010, which amount is hereby acknowledged and confirmed by the Borrower/s / Guarantor/s and the guarantors.

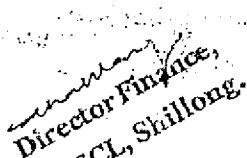
For Meghalaya Energy Corporation Limited For Meghalaya Energy Corporation Limited

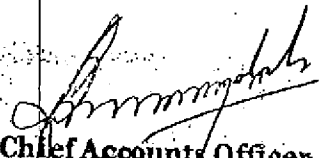
  
D P Wahlang  
Director Finance

  
S Jyngdoh  
Chief Accounts Officer

Copy  
For The Federal Bank Ltd

  
V.O. Pappachan  
Chief Manager

  
Director Finance,  
Me ECL, Shillong.

  
Chief Accounts Officer  
Me ECL, Shillong.

And Whereas the Borrower/s / Guarantor/s have not been in a position to repay or continue repayment of the said term loan as per the terms stipulated and agreed upon by the Borrower/s / Guarantor/s and they also failed to meet their commitments and obligations due to unavoidable circumstances as reported to by the Borrower/s / Guarantor/s and consequently the Borrower/s / Guarantor/s have requested the Bank to allow repayment of the said term loan in the manner detailed hereunder, under a rescheduling / restructuring programme and the bank has agreed to the request subject to the terms and conditions mentioned hereunder.

NOW IN CONSIDERATION OF THE ABOVE THE BORROWER/S / GUARANTOR/S HEREBY AGREE, UNDERTAKE AND DECLARE AS FOLLOWS:

1. The borrowers hereby agree that the amount due and payable by the Borrowers to the Bank together with interest under the term loan shall be treated as a fresh Term Loan (hereinafter called the "Term Loan") which shall be paid by the Borrowers to the Bank. The period of the Term loan shall be up to 31/03/2019 with a cushion period upto 31/03/2012. The loan amount is repayable in 84 equal monthly installments from 30/04/2012. The first of such installment shall be paid on 30/04/2012 and the repayment of the loan amount shall be as per the schedule furnished hereunder.

(Repayment of the Term Loan –

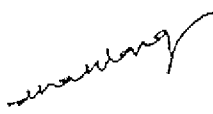
Period - Up to 31/03/2019,

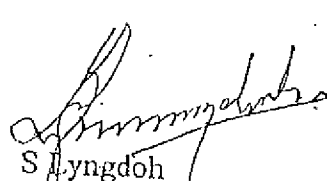
Grace Period - Up to 31/03/2012

Repaymnt - In 84 equal monthly instalments after the grace period.  
(First installment falls due on 30/04/2012)


The borrower shall pay interest on the Term Loan at 3% above the base rate of the bank as fixed by the bank from time to time, subject to a minimum interest of 11% per annum at such other rate that the bank may from time to time stipulate. The present base rate of the bank is 8% and accordingly the borrower shall pay interest at the rate of 11% per annum with monthly rest, which is payable quarterly from 31/12/2011, subject to revision by Reserve Bank of India and /or the Bank from time to time.

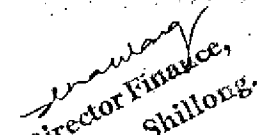
For Meghalaya Energy Corporation Limited For Meghalaya Energy Corporation Limited

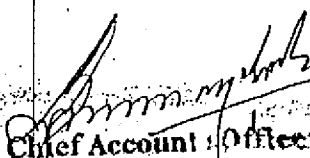
  
D P Wahlang  
Director Finance

  
S Lyngdoh  
Chief Accounts Officer

Copy  
For The Federal Bank Ltd

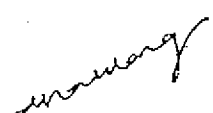
  
V.O. Pappan  
Chief Manager

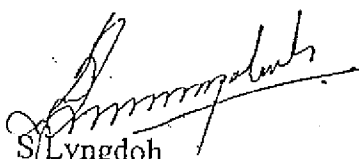
  
Director Finance,  
Me ECL, Shillong.

  
Chief Account Officer  
Me ECL, Shillong.

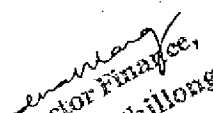
2. Interest accrued in the existing term loan shall be funded from quarter ended 30/09/2010 to quarter ending 30/09/2011 and thereafter interest is payable quarterly from 31/12/2011. The bank shall at the request of the borrowers sanction a Funded Interest Term Loan of 665 lakh for the purpose of funding the interest accrued in the said term loan which shall be repayable in 6 equal monthly installments. The borrower shall execute separate loan documents for the purpose of availing the Funded Interest Term Loan.
3. This agreement shall operate as continuing security for all monies, indebtedness and liabilities aforesaid notwithstanding any partial payments or fluctuation of accounts.
4. The borrowers specifically agree that the principal amount under this agreement shall always include and /or shall deem to include also the interest calculated and debited to the loan account with monthly rest from time to time cumulatively. The borrowers also undertake to pay additional interest at such rates, as may be fixed by the bank from time to time over and above the rate mentioned above, in case the borrowers default in paying the installments, interest and /or other charges, and /or in the event of violation of any terms of sanction, and/or violation of any of the terms and conditions of this agreement and /or the account becoming irregular without prejudice to other rights and remedies of the Bank.
5. The Bank shall at any time without any notice or intimation be entitled to charge interest at such higher rate than the rate hereinabove mentioned in accordance with the rate revised or varied by the bank and /or RBI and the Bank is not bound to give any notice to the borrowers and the borrowers agree for such variation/revision.
6. The Borrowers agree that the security given and all documents executed by the Borrowers on while availing the said term loan shall stand revived and continue to remain valid for all moneys due to the Bank as aforesaid notwithstanding any variation or renewal of the banking documents or indulgence made or granted by the Bank at its absolute discretion.

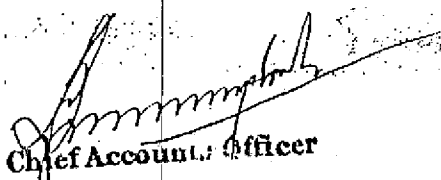
For Meghalaya Energy Corporation Limited For Meghalaya Energy Corporation Limited

  
D P Wahlang  
Director Finance

  
S Lyngdoh  
Chief Accounts Officer

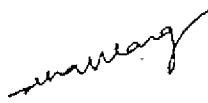
Copy  
For The Federal Bank Ltd

  
Director Finance,  
Shillong.

  
Chief Accounts Officer  
Me ECL, Shillong.

7. The Borrowers agree that in case of any default committed by the borrowers the Bank shall be entitled to sue the Borrowers/Guarantors separately and independently under this agreement without consolidating any or other claims of the Bank against the Borrowers/guarantors arising under any other agreement or transaction or mortgage relating to the same security.
8. The Borrowers agree that the Bank shall at its option collect all insurance claims from the insurers direct and shall appropriate it towards the liabilities under this agreement. The Borrowers consent to the Bank lodging the claims with the insurers at the option of the Bank and claiming the amounts direct from the insurers and payments made to the Bank by the insurers shall constitute a valid discharge of the insurers liability to the extent of the payment effected by the insurers.
9. The Borrowers agree that they shall furnish further security to the satisfaction if the Bank asks for any such further security. In case of non-compliance, the Bank shall be entitled to recall the loans or advances forthwith.
10. The Borrowers shall, upon every reasonable request of the Bank, allow the Bank's officials, nominees, inspectors and auditors to inspect the Borrowers premises, farm, plant and the borrowers books of accounts for ensuring that the Borrowers have duly complied with the terms of the advance.
11. The Borrowers agree that in case the borrowers default repayment of the loans or fail to comply with the terms of these presets or the functioning of the unit for the purpose of which the terms loans are sanctioned is not up to the desired level in the opinion of the bank or the financial discipline as envisaged under these presents is not adhered to by the borrowers, the bank shall be at liberty to cancel the restructuring package and initiate suitable remedial measures to secure repayment of the loans including stipulation for infusion of additional equity or interest free unsecured funds by the promoters and the borrowers shall be liable to comply with such measures as and when stipulated by the bank.
12. The borrowers agree that the bank shall have a right of recompense for the concessions or waiver in interest allowed by the bank under the restructuring package as and when the turnaround of the borrowers improves.
13. The borrowers agree that the bank shall be entitled to accelerate the repayment of the loans by modifying the repayment schedule or modify the rates of interest payable by the borrowers in accordance with improvement in the profitability and cash flow position of the borrowers.

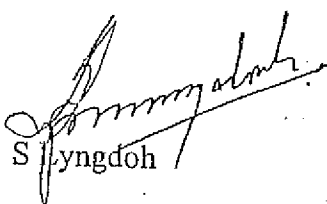
For Meghalaya Energy Corporation Limited For Meghalaya Energy Corporation Limited

  
D P Wahlang


Director Finance

  
For The Federal Bank Ltd

V.O. Pappachan  
Chief Manager

  
S Jyngdoh

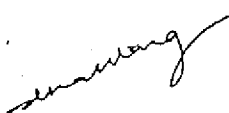
Chief Accounts Officer

  
Director Finance,  
Me ECL, Shillong.

  
Chief Accounts Officer  
Me ECL, Shillong.

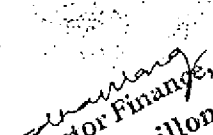
14. The Borrowers agree that notwithstanding the Bank's right to resort to legal or any other measures to recover the dues of the Borrowers to the Bank, the Bank can recover the amounts due to them under Revenue Recovery Proceedings and the collection charges as fixed by the Government from time to time shall be payable by the Borrowers and the Bank/Government may recover such amounts from the Borrowers and / or security.
15. The Borrowers agree that the security mentioned herein shall also include those things which may come into existence by natural increase, accretion, modification or purchase or otherwise becomes an integral part or adjunct of the security originally given.
16. The borrowers hereby further declare that the security offered is not subject to any attachment by any Government Authority/Court and no prior encumbrances/charges are existing against the same. The Borrowers shall not transfer or create any charge or transfer possession of the secured property and building or any portion of them to any person or persons without the written consent of the Bank during the continuance of the loan.
17. The borrowers agree to execute necessary revival, renewal documents and balance confirmations as may be required by the Bank.
18. It is further agreed and declared that upon happening of any one or more of the following events, that is to say:
- a. the liability outstanding in the said loan account or any part of it remaining unpaid on the due date fixed for payment thereof.
  - b. any interest remaining unpaid and in arrears for a span of 3 months after the same shall have become due whether demanded or not.
  - c. the borrowers committing any breach or default in the performance or observance of any of the terms herein contained or of the terms and conditions relating to the advance including those contained in the Borrowers proposal and /or other security documents executed by the Borrowers.
  - d. The Borrowers entering into any arrangements or composition with the Borrowers creditors or committing any act of insolvency.
  - e. Death, insolvency or bankruptcy of the borrowers.
  - f. Any execution or distress being enforced or levied against the whole or any part of the Borrowers properties.
  - g. The occurrence of any circumstances which is prejudicial to or impair, imperil or is likely to prejudice, impair, imperil or depreciate the security given to the bank; and

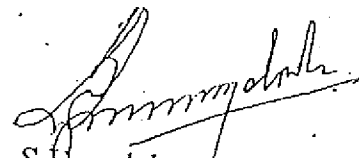
For Meghalaya Energy Corporation Limited For Meghalaya Energy Corporation Limited

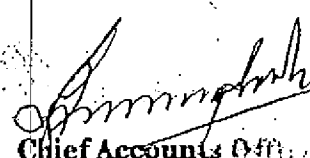
  
D P Wahlang

Copy  
For The Federal Bank Ltd.  
Director Finance

V.O. P. S.  
Chief

  
Director Finance,  
Me ECL, Shillong.

  
S Lyngdoh  
Chief Accounts Officer

  
Chief Accounts Officer,  
Me ECL, Shillong.

h. the occurrence of any event or circumstances which would or is likely to prejudicially or adversely affect in any manner the capacity of the Borrowers to repay the loan, the bank shall have the right and authority to recall entire loan, interest, cost and other charges whereupon the Bank can forthwith enforce against the Borrowers and the properties offered as security and recover from the Borrowers the entire balance then remaining due under the said loan account and all interest, costs and other outgoing and incidentals.

19. It is further declared that the Bank may in its absolute discretion refrain to forthwith enforce its rights under this agreement in spite of happening of any of the contingencies aforesaid and that will not in any way absolve the liability of any of the Borrowers and / or the security in any manner whatsoever.

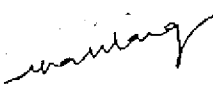
Provided further that the decision of the Bank on the question whether any of the events mentioned above has happened or not shall be final and conclusive and will be binding on the Borrowers.

20. If the Borrowers be more than one individual, each one of them mutually agree that each one or anyone them is / are authorised and empowered by the other(s) of them to admit and acknowledge the Borrowers individual and collective liability to the Bank by any payment into the accounts) or by way of express writing in any manner or otherwise and any such admission and acknowledgement of the liability by one or more of them shall be constructed and deemed to have been made on behalf of each and all of them jointly and severally.

21. The Borrowers agree that though not obligatory on the part of the Bank, the Bank shall at all times be entitled to do all such things for the safety, upkeep and maintenance of the security and all expenses incurred by the Bank on that account or in connection with the loan shall be debited to the Borrowers account and shall be recoverable by the Bank as dues under this agreement.

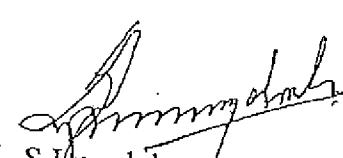
22. Nothing herein contained shall prejudice any rights or remedies of the Bank in respect of present or further security, guarantee, obligation or decree for any indebtedness or liability of the Borrowers to the Bank and this agreement shall be supplemental to all agreements, terms and conditions relating to the said Loan Agreement/s executed on 29/09/2009.

For Meghalaya Energy Corporation Limited For Meghalaya Energy Corporation Limited

  
D.P. Wahlang

  
For The Federal Bank Ltd

V.O. Pappachan  
Chief Manager

  
Director Finance,  
Me ECL, Shillong.

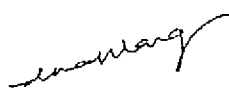
S Lyngdoh  
Chief Accounts Officer

  
Chief Accounts Officer  
Me ECL, Shillong

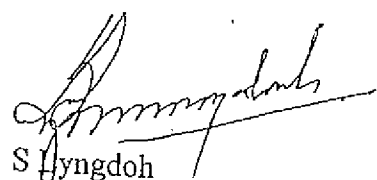
23. The borrowers agree as a precondition of the loan/ advances given to them by the bank that in case they commit default in the repayment of the loan/ advances or in the payment of interest thereon or any of the agreed instalment of the loan on due dates, the bank and/or the Reserve Bank of India will have an unqualified right to disclose or publish their name or the names of their company/ firm/ unit and its directors/ partners/ proprietors as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.
24. The borrowers hereby agree that notwithstanding anything contained herein, the Bank is at liberty to recall the balance due from the borrowers at any time during the currency of repayment schedule or otherwise without assigning any reason whatsoever if the Bank considers that it is necessary in the best interest of the Bank.

The contents of the agreement have been read over and translated into and explained to the borrowers by the representatives of the Bank and the Borrowers having understood the contents thereof subscribed to these presents.

For Meghalaya Energy Corporation Limited For Meghalaya Energy Corporation Limited

  
D P Wahlang

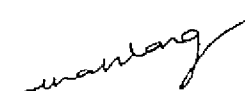
Director Finance

  
S Jyngdoh

Chief Accounts Officer

The Common seal of the company is hereunto affixed, pursuant to the Resolution passed by the Board of Directors in the meeting dated 22/12/2010 in the presence of the Director Finance of the company who has affixed his signature hereunto.

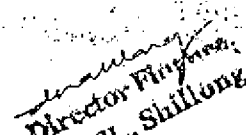
For Meghalaya Energy Corporation Limited

  
D P Wahlang

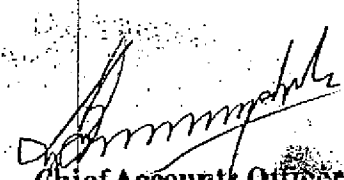
Director Finance

  
For The Federal Bank Ltd

V.O. Papamun  
Chief Manager

  
Director Finance,  
Me ECL, Shillong.



  
Chief Accounts Officer  
Me ECL, Shillong.

Finance Committee in its meeting dated 09/12/2010 has accorded sanction for the following:

1. Extension of Commercial Operation Date of the 3x 42 MW (126 MW) hydropower project to March 2012. (ie first unit March 2011, 2<sup>nd</sup> unit by Sept 2011 and 3<sup>rd</sup> unit by March 2012)
2. Stipulation on average balance of Rs. 300 L in the escrow account waived upto September 2011.
3. Restructuring of term loan of Rs. 5000 L and sanction of Overdraft facility of Rs. 1364 L as sublimit to LC on the following terms and conditions.

Facility	TL	FITL	Overdraft (sublimit to LC)
Loan Amount	Rs 5000 L	Rs 665 L (Maximum)	Rs. 1364 L
Amount in words	Rupees Fifty Crore only	Rupees six crore sixty five lakh only	Rupees thirteen crore sixty four lakh only
Period	Up to 31.03.2019	Up to 31.03.2012	12 Months
Grace period	Up to 31.03.2012	Up to 30.09.2011	Nil
Repayment	In 84 equal monthly installments after the grace period. (First installment falls due on 30.04.2012.)	In 6 equal monthly installments after grace period (First installment falls due on 31.10.2011)	Lumpsum
Interest /Commission	Base Rate + 3 (currently 11% p.a.) - Monthly rest. Interest to be funded from quarter ended 30/09/2010 to quarter ending 30/09/11. From 31.12.11. interest is payable quarterly.	Base Rate + 3 (11% p.a.), payable monthly including during the grace period	Deposit rate + 1%
Processing Fee	Nil		
Penal interest	2% p.a. for defaults / arrears.		
Additional interest	1% for non compliance of sanction order conditions.		
Total liability	Rs. 5665 L (Excluding LC/OD facilities)		

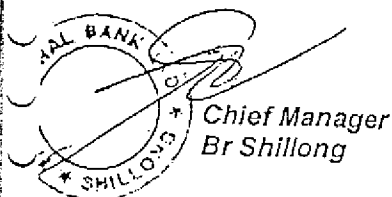
Securities	
	Description
a. Primary	TL: Pari passu first charge on Plant and Machinery and other project assets of 126 MW (2X42+1X42) hydel based power project being set up at Myntdu Leska, Meghalaya at an estimated project cost of Rs. 965.93 Crore. OD/LC: 100% cash margin - Deposit of Rs. 1364 L
b. Collateral	Nil
c. Others	Escrow a/c in the form of a current account from the existing revenue streams.
Guarantors:	
a. Name of guarantor	Guarantee of State Govt of Meghalaya

Pre-disbursement conditions:

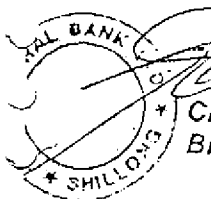
1. The borrower shall furnish an undertaking in respect of the following
  - a. That Directors are not relatives to any willful defaulter to Banks/FIs
  - b. That the funds raised from the credit facilities will be used only for the purpose for which it is sanctioned.
  - c. That it will service interest from own sources, if the FITL of Rs 665 L become insufficient due to any reasons.
  - d. That it will complete all the remaining works before 31.03.2012, without recourse to the Bank.
  - e. That it will maintain an average balance of not less than Rs. 300 L in the Escrow account maintained with us from October 2011.
  - f. That it will strengthen its internal audit and controls to the satisfaction of its external auditors.
2. Borrowing powers of the Company shall be ensured. Necessary Resolution for restructuring the term loan duly passed by the competent authority shall be obtained before disbursal. Loan documents shall be executed by competent authority as provided in the Resolution.
3. Minimum promoters contribution of Rs. 22 L shall be bought in before effecting the restructuring. (Documentary evidences for this shall be forwarded to LCD).
4. Documentation shall be done with the assistance of the Regional Office.
5. Insurance on primary security shall be done before restructuring the facilities. If the primary securities are already insured with Bank clause, Branch shall ensure that the insurance is valid.
6. Branch shall take Legal Opinion regarding validity of Govt guarantee post restructuring and unbundling of the State Electricity Board. Branch / RO is advised to act accordingly as suggested by the Legal Department.
7. The advance against deposits shall be closed on disbursement of the overdraft facility.



8. All Audit comments / inspection comments if any shall be got rectified before 31.12.2010, Regional Office shall monitor and ensure that the comments are rectified before 31.12.2010.
9. Interest for the term loan is funded from the quarter ended September 2010 to the quarter ending September 2011. Interest debited from the quarter ended 30/09/2010 to quarter ending September 2011 shall be promptly transferred to the Funded Interest Term Loan (FITL). Disbursement of FITL and passing of transfer entries shall be done in consultation with Operations Department. FITL is restricted to a maximum of Rs 665 L. Any excess amount of interest during the funded period due to variations in the rate of interest shall be borne by the borrower.
10. Documentation formalities shall be completed in all respects as provided in Manual on Documentation before disbursement. Modification of charges shall be registered with ROC.
11. The overdraft facility shall be utilized only for making payment of the bills drawn under the revolving LCs.
12. Branch shall ensure that the outstanding in the LC and OD facility shall not exceed Rs. 1364 L at any point of time. The LCs shall not be reinstated to the extent of the Overdraft outstanding.
13. Branch shall ensure that no disputed statutory dues are outstanding in the name of the company other than those disclosed in the audited annual accounts. Chartered Accountants certificate shall be obtained to this effect.
14. In the event of the company committing default in repayment of principal or interest on due dates, the Bank shall have an unqualified right to disclose the name of the company and its directors to the Reserve Bank of India / CIBIL or any other statutory body as deemed fit.
15. Bank shall have the right of recompense for the sacrifices made by them under the restructuring package on turn around of the borrower.
16. Bank shall reserve the right to accelerate the repayment schedule of the loans and effect change in interest rate, in case the profitability and cash flow position of the borrower so warrants.
17. In case of any shortfall in cash flow, as projected in the package, or in case of undisclosed liabilities, the company shall arrange for infusion of additional funds from its own resources without any further recourse to Banks.
18. Certificate from a Chartered Accountant shall be obtained regarding end use of the term loans availed by us.
19. Status report on the project shall be obtained on a half yearly basis. Branch shall conduct site inspection on a half yearly basis till all the units starts commercial operations.
20. Branch shall invariably enter relevant details of Restructuring details using HLADM menu option in Finacle and report date of restructuring to CC division and LCD confirming compliance of terms.
21. C 124 shall be submitted along with system generated annexure to RO/HO.

  
Chief Manager  
Br Shillong

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Chief Manager  
Br Shillong

Federal Bank, Shillong

From: "Pathrose P P (CFD)" <pathrosepp@federalbank.co.in>  
To: "FEDERAL BANK RO CALCUTTA" <CALG@federalbank.co.in>  
Cc: "FEDERAL BANK Br. SHILLONG" <SLG@federalbank.co.in>  
Sent: Tuesday, September 22, 2009 11:28 AM  
Subject: Meghalaya State Electricity Board(MeSEB)

**FEDERAL BANK**

Regd Office: Aluva

CORPORATE FINANCE DEPARTMENT

CFD/S4/PP/ / 2009

22/09/2009

The Dy General Manager  
RO Kolkata

Dear Sir,

**Re: Proposal for Term Loan- Meghalaya State Electricity Board(MeSEB)**

The above proposal was placed before the Board in its meeting held on 19.09.2009 and the proposal sanctioned on the broad terms and conditions given below. The system generated sanction order will be separately.

**Terms and conditions of the facilities:**

**Borrower : Meghalaya State Electricity Board(MeSEB)**

**Branch : Shillong**

Nature of limit	Term Loan
Amount in Figures	Rs.5000L
Amount in words	Rs. Five hundred lakhs only
Int./Comm./Disc.	BPLR-4.25%(Min 10%)
Interest rest	Monthly
Period	96 M
Grace period	12M
Repayment	84 Equal Monthly Installments
Processing fee	0.10%
UP front fee	Nil
Documentation Charges	Rs.10000/-
Prepayment premium	2%
Penal interest / liquidity damages	2%
Commitment charges	2%
Margin	30%
Guarantee cover	Nil
Refinance	NA
Total liability	Rs.5000 L

Liability of co-obligants/ Guarantors	Rs.5000 L
SECURITY	
Primary	Pari passu first charge on Plant and Machinery and other project assets ie (2X42+1X42) MW hydel based power project at Myntud Leska, Meghalaya at a project cost of Rs. 965.93 crore
Collateral	Nil
Additional	1. Guarantee of Govt. of Meghalaya. 2. Escrow a/c in the form of a current a/c with an average balance of Rs.3 crore from the existing revenue.
Co-Obligants/ Guarantors	State Govt. of Meghalaya

### OTHER MAIN TERMS & CONDITIONS

1. ✓ Board shall undertake to get a bank loan rating within a period of 2 months from the date of disbursement of the loan limit.
2. ✓ Provisional/Audited financial statements as on 31.03.09 shall be submitted before 30.09.09.
3. ✓ Interest shall be serviced on a monthly basis as and when applied.
4. The proposed Term Loan is to be disbursed directly to the supplier's of the Machinery/Equipments Contract of Civil works and other supplies under the project as far as possible.
5. Loan to be released with the necessary margin from the Board.
6. The loan will be disbursed as per the progress in the implementation of the project on submission of the physical and financial status of the project.
7. ✓ Machinery/Equipment/Civil Work materials under procured under new project will be hypothecated to Bank and necessary charges against the same should be created in favour of the Bank duly registered with concerned authorities.
8. ✓ Asset charged to Bank is adequately insured with Bank's clause. Necessary Insurance policy should be held with the Bank.
9. The entire loan is to be repaid within a period of 96 M inclusive of the initial moratorium of 12 months from initial disbursement.
10. ✓ Guarantee of the govt as Meghalaya for principal and interest is to be furnished before availing the loan.
11. It is to be ensured by MeSEB that the implementation of the project is as per the schedule and cost over run if any, may be made good by the Board from their own sources.
12. NOC from other Bank/FI shall be obtained for creation of Pari-passu first charge on Plant and Machinery and other project assets.
13. As the Branch is not a designated Branch for handling large limits the disbursement and monitoring of the limit should be under the direct control of the Regional Office.
14. Before conveying the sanction the Regional Head/ BM should discuss with Central Bank of India the following issues:
  - a) Original documented COD
  - b) Whether the implementation of the project ( Physical/financial) is satisfactory.
  - c) If the COD has been extended due to time/cost overrun whether the same has been documented and carried out as per RBI norms.
  - d) Verify copies of sanction letters from the existing lenders ( Original/amended) and compliance of the terms.
  - e) Ensure that the progress of completion of work is satisfactory.

Yours faithfully

For The Federal Bank Ltd  
P. Pathrose

V.O. Pappachan  
Chief Manager