

K A. Mr. Dipthi Gainer / MSPGCL

Fax No: 022-22673705

FM : B.T. Umesh, HUDCO

हाउसिंग एण्ड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड
(भारत सरकार का उपक्रम)

मुम्बई क्षेत्रीय कार्यालय

श्रेयस चैम्बर्स, 2 रा माला, 175, डॉ.डी.एन.रोड, फोर्ट, मुम्बई 400 001.
दूरभाष: 022-22690080-84, फैक्स: 022-22690086

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Housing and Urban Development Corporation Limited
(A Government of India Enterprise)

Mumbai Regional Office:

Shreyas Chambers, 2nd Floor, 175, Dr. D.N. Road, Fort, Mumbai: 400 001, Maharashtra.
Tel.: 022-22690080-84, Fax: 022-22690086

E-mail: wzo@hudco.org, hudcomro@gmail.com, hudcomro@yahoo.co.in

H/MRO/MSPGCL Ltd/20058/2011/L13741

30th November, 2011Letter of Offer

The Managing Director,
M/s. Maharashtra State Power Generation Company Ltd.
Prakashgad, 2nd Floor, Plot No.G-9,
A.K. Marg, Bandra (East)
MUMBAI - 400 051.

Sub: HUDCO Financed Construction of Staff Quarters and School Building at Koradi, Nagpur, Maharashtra by Maharashtra State Power Generation Company Limited (MSPGCL) (Sch.No.20058).

Sir,

Please refer to your application for loan assistance for Construction of Staff Quarters and School Building at Koradi, Nagpur, Maharashtra. Your application has been processed and we are pleased to approve a loan of Rs.2840.00 Lakhs (Rupees Two Thousand Eight Hundred Forty Lakhs only) for your project, subject to the terms and conditions stated as below:-

1. PROJECT:

Construction of Staff Quarters and School Building at Koradi, Nagpur, Maharashtra. (Scheme No.20058). The details are as under:

Means of Finance:	Rs. in Lakhs	Percentage
1. HUDCO Loan	2840.00	89.96%
2. Promoters Contribution:		
Share Capital	317.00	10.04%
• Internal Accruals		
TOTAL	3157.00	100%

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हुडको आई एस ओ 9001:2008 प्रमाणित कंपनी
AN ISO 9001:2008 CERTIFIED COMPANY

संजीवित कार्यालय: कोर 7 ए, हुडको भवन, इंडिया हैबिटेड सेंटर, लोधी रोड, नई दिल्ली- 110 003

दूरभाष : 011-24848810-23, फैक्स : (011) 24825308, ईमेल : hudco@hudco.org, Visit us at: www.hudco.org

Regd. Office: Core-7'A', HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi- 110 003

Tel.: (EPABX) 011-24848810-23, Fax: 011-24825308, Email: hudco@hudco.org, Visit us at: www.hudco.org

HUDCO Staff quarters

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2. LOAN AMOUNT:

Rs.2840.00 Lakhs (Rupees Two Thousand Eight Hundred Forty Lakhs only). The above sum of Rs.2840.00 Lakhs is sanctioned to your organization for Construction of Staff Quarters and School Building at Koradi, Nagpur, Maharashtra.

3. SECURITY:

The loan shall be secured by the following security package:-

Project related:

1. Mortgage of project immoveable properties viz. project land and building. The total minimum value of the security comprising of project and other immoveable properties (if required) with a clear and marketable title during the currency of HUDCO loan shall not be less than 125% of the total outstanding loan amount at any point of time.
2. Assignment of comprehensive insurance policy covering the risks of fire, earthquake, natural calamities, etc. in favour of HUDCO.

4 (i) RATE OF INTEREST :

Interest will be charged @ 12.00% (Floating) per annum. In the event of default, an additional interest @ 3% p.a. on overdue amount will be charged for the delayed period over and above the applicable interest, or such other rate as may be decided by HUDCO. HUDCO will have a right to increase the rate of interest on the loan and reserves the right to review and revise the Floating Base Rate (BR) and the spread as and when necessary.

(ii) INTEREST TO BE PAID QUARTERLY:

The interest shall be payable on or before 28/29th February, 31st May, 31st August, and 30th November of each year. The first payment of interest for a proportionate period, if any, shall be due and payable on the due date immediately following after the date of first disbursement against the loan.

5. DISBURSEMENT :

Loan of Rs.2840.00 lakhs will be disbursed in 4 (Four) quarterly instalments or in lumpsum depending upon the progress of construction as decided by HUDCO. Request for disbursement should be supported by a technical report about the progress of construction, utilization of HUDCO loan disbursed till date and Auditors' Certificate about your share of investment of funds. Loan will be disbursed only after the receipt of satisfactory technical, financial and legal report.

**6. (a) LOAN REPAYMENT :**

Loan is repayable in 36 (Thirty Six) quarterly installments, after the project implementation period. If the project is completed ahead of schedule, the installment, terms and repayment of loan may be pre-poned accordingly, as may be decided by HUDCO.

(b) ADDITIONAL INTEREST (PREPAYMENT):

HUDCO will levy additional interest (prepayment) on the amount prepaid at differential interest rate calculated (without compounding) for one year subject to minimum of 2%. Differential interest rate shall be the difference of weighted rate of interest on which releases have been made and weighted rate of interest as per current prevailing financing pattern of HUDCO. Further, prepayment charges will be calculated/recovered based on HUDCO's guidelines prevailing at the time of prepayment irrespective of the provision in the agreement. No additional interest (prepayment) will be levied on account of pre-payment of loan arising out of project revenue.

7. FRONT END FEES:

One time Front-end-fees (non-refundable) at the rate of 0.50% of the loan amount (Rs.14.20 lakhs) sanctioned subject to maximum of Rs.100.00 lakhs plus service tax (Rs.1,46,260), or such other applicable rate as may be decided by HUDCO, shall be payable to HUDCO through Demand Draft payable at Mumbai along with acceptance of this letter. The front-end-fees will be in addition to the application fee, interest, interest tax (if applicable) and other monies payable. Provided further that no refund will be made from the front-end-fee in case there is any reduction in the loan amount subsequently.

8. OTHER CONDITIONS: Subject to standard conditions of Loan Agreement, Escrow Agreement and other conditions as conveyed from time to time by HUDCO, following are the additional conditions to be complied with:**Pre-Disbursement Conditions:-**

1. Borrower to submit the securities as indicated at para 3 above.
2. Submission of layout plan with demarcation & boundaries for the purpose of creation of mortgage.
3. Submission of Valuation report from registered valuer. The value of project assets should be 125% of the loan amount.
4. Title search of the properties proposed to be mortgaged shall be done by HUDCO's panel advocate, the cost of which shall be borne by M/s MSPGCL. The borrower should comply with conditions therein.
5. Stamp duty, other fees and charges payable on creation of mortgage under law and execution of loan documents will be borne by the borrower.



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6. Submission of layout and building Plans duly approved by Nagpur Improvement Trust.
7. MSPGCL shall give an undertaking that it shall obtain all statutory and non-statutory clearances as and when required during implementation of the project and to comply with the conditionality specified therein.
8. A separate account should be opened with a bank acceptable to HUDCO and definite revenue streams to be identified by the borrower should be routed through this account for repayment of loan in time.
9. Affidavit from borrower that the project property is unencumbered and the borrower has a clear and marketable title to the project property and entitled to mortgage the same to HUDCO and neither any liability nor any third party interest would be created on the same during currency of HUDCO loan.

Standard terms and conditions:

A) Submission of the Affidavit-cum-Undertaking that "the borrower shall not violate the plans approved by the competent authority and the construction shall be strictly as per approved plans".

B) The borrower shall submit following Undertakings:

- i. That it will bear any cost overrun due to any reason from its own sources.
- ii. That none of the Director(s)/Partners Name(s) is appearing in defaulter list of RBI / CIBIL, nor has in any case been convicted or any case is pending against them in any Court / Tribunal / Judicial Authority, to the best of information, is under investigation by any authority and HUDCO shall have right to take action if it is found otherwise.
- iii. That neither the borrower / promoter is involved in any economic offence nor any criminal proceeding is pending against them.
- iv. That it will obtain all necessary statutory approvals, permits, licenses, etc. including approvals from Fire Services Department, Pollution Control Board, Ministry of Environment & Forests, etc. shall be obtained as and when required. Modifications, if any, will be carried out only after obtaining approvals from statutory authorities and with the permission from HUDCO.
- v. That in case of shortfall in revenue generation for repayment of HUDCO dues, the borrower will make it good from their own / other sources to meet HUDCO dues of interest and instalments payments in time.
- vi. That, fund raised for the project during the currency of HUDCO loan shall not be utilized for :-
 - Subscription or purchase of shares and debentures;
 - Repayment of dues of associated concerns etc.
 - Any other project / any other speculative activity;
 - Extending loans to sponsor companies / promoters or making any corporate deposits and for speculative purposes save and except investment in permitted securities to deploy temporary surplus funds;

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- Transfer to any other bank account of the company or to its associate concern.
- vii. All the assets charged to HUDCO would be fully insured against all risks during the currency of the HUDCO loan at borrower's cost. HUDCO's interest in the insurance policy will be duly notified.
- viii. All the material facts concerning the project have been disclosed to HUDCO and that the borrower is aware that HUDCO's approval would stand cancelled if any material fact is not disclosed and / or some facts are found to be at variance with the statutory laws required to be fulfilled and / or in any other way detrimental to the interest of the project and to HUDCO. HUDCO shall have the right to recall the loan outstanding in case of any misrepresentation / suppression of information / non-compliance or violation of sanction conditions subsequently noticed.
- ix. To display signboards indicating HUDCO's assistance to the project at all high visibility points of the project.
- x. HUDCO shall have the right to accelerate the repayment in case situation requires.

C) Other conditions:-

1. The borrower shall submit authenticated copy of its resolutions for taking up the scheme, borrowing and mortgaging project property in favour of HUDCO.
2. Borrower will submit certificate from Structural Engineer that all structural designs were carried out based on the soil test report, local conditions etc. based on relevant IS Codes so as to take care of structural stability, earthquake resistance, wind velocity and other loads etc. and the proposed building is structurally safe for the intended purposes.
3. In the event of borrower committing default on the repayment of loan or payment of interest on due dates, HUDCO shall have an unqualified right to disclose the name of the company, its group companies and its directors as willful defaulter to RBI/CIBIL, to publish their names as defaulters in such manner and through such media as HUDCO in its absolute discretion may deem fit.
4. The borrower shall submit a certificate from its Statutory auditor stating that the Borrower / Promoter(s) / Director(s) are neither involved nor committed in any economic offence(s) and no such investigation is initiated against them.
5. HUDCO reserves the right to appoint lender's auditors and lender's engineers during implementation period and till the repayment of entire outstanding loan amount and all the expenses to be borne by the borrower.
6. In the event of default, HUDCO or its nominee will have the step-in-rights into the project.
7. The borrower shall arrange site inspection by HUDCO before the release of each instalment.
8. HUDCO reserves right to review / restrict the loan amount at any stage and HUDCO's decision in this regard shall be final.

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9. HUDCO reserves right to stipulate additional security / modify the security structure as and when it feels necessary and the borrower shall arrange the same at its own cost. HUDCO's decision in this regard shall be final.
10. The borrower shall open a dedicated account of definite revenue streams so as to ensure repayment of loans in time.

It may please be noted that the Application fee @ 0.1% of loan amount (with rounding off next slab of Rs.10000) i.e. Rs.2,90,000 + Rs.29870/- (service tax) shall be deducted at the time of release of 1st installment of loan.

This letter is valid for four months from the date of this letter and will lapse, without any further notice, if the terms and conditions of the loan are not accepted by you or HUDCO's requirements are not complied within the specified period.

Copy of this letter marked "Acceptance Copy" duly signed by you in token of having confirmed the acceptance of the terms and conditions of the loan may please be returned to us at the earliest together with the front-end-fee as stated hereinabove.

Please contact us for completion of further formalities and for disbursement of loan.

Thanking you,

Yours faithfully,


Rohinjath P. 30/11/11
Sr. Manager (Law)

Accepted

For and on behalf of
M/s. Maharashtra State Power Generation Company Limited (MSPGCL).

Signature, Date & Seal

Copy to: The Executive Director, SBU (SH & CI), HUDCO Ltd., IHC, New Delhi –
for kind information.

Primary Cost Breakup			
Item	Forex	Local	Total
1 Preliminary Investigation	0.00	25.00	25.00
2 Land	0.00	0.00	0.00
3 Civil Works	0.00	875.00	875.00
4 Mechanical Works	2760.81	3098.19	5859.00
5 Electrical Works	0.00	578.00	578.00
6 Instrumentation & Control Works	0.00	76.00	76.00
7 Total of Works	2760.81	4652.20	7413.00
8 Overhead Construction Cost	135.94	229.06	365.00
9 Contingency	0.00	235.84	235.84
10 EHV Trans. Line	0.00	0.00	0.00
11 Total Hard Cost	2896.74	5117.10	8013.85
12 IDC	0.00	2004.82	2004.82
13 Margin Money for WC	0.00	0.00	0.00
14 Capitalized Project Cost	2896.74	7121.92	10018.66
15 Cost per Megawatt		5.06	

Detailed Cost Breakup			
Item	Forex	Local	Total
1 Preliminary Investigation	0.00	25.00	25.00
1.1 Development Fees			
1.2 Preparation of Study Reports			
1.3 Geo-Technical Survey	0.00	25.00	25.00
1.4 Soil Investigation			
1.5 Statutory Clearance			
2 Land	0.00	0.00	0.00
2.1 Land	0.00	0.00	0.00
3 Civil Works	0.00	875.00	875.00
3.1 Land Development	0.00	72.34	72.34
3.2 Roads, Bridges & Railway	0.00	85.08	85.08
3.3 Power Block	0.00	358.63	358.63
3.4 Plant Water System	0.00	100.40	100.40
3.5 Coal Handling Plant	0.00	80.39	80.39
3.6 Fuel Oil Handling & Storage	0.00	2.54	2.54
3.7 Ash Handling Plant	0.00	75.02	75.02
3.8 Chimney	0.00	39.73	39.73
3.9 Switchyard (By Transco)	0.00	0.00	0.00
3.10 Pipe cum Cable Rack & Trenches	0.00	12.17	12.17
3.11 Misc. Plant Buildings	0.00	13.27	13.27
3.12 Misc. Non-Plant Buildings	0.00	2.97	2.97
3.13 Waste Treatment & Others	0.00	3.67	3.67
3.14 Constr. Facilities	0.00	6.63	6.63
3.15 Township Augmentation	0.00	14.54	14.54
3.16 Other Unforeseen Exp.	0.00	0.00	0.00
3.17 Works Contract Tax	0.00	7.63	7.63
4 Mechanical Works	2760.81	3098.19	5859.00
4.1 Steam Generator (3) with Accessories	1575.46	810.34	2385.70
4.2 Turbine Generator (3) with Accessories	969.06	498.37	1467.43
4.3 Coal Handling Plant Package	0.00	341.65	341.65
4.4 Ash Handling Plant Package	0.00	121.88	121.88
4.5 Plant Water System	0.00	224.56	224.56
4.6 Fuel Oil Handling & Storage	0.00	23.11	23.11
4.7 Cranes & Hoists	0.00	12.60	12.60
4.8 Power Cycle Piping	0.00	0.00	0.00
4.9 Low Pressure Piping	0.00	183.64	183.64
4.10 A/c & Ventilation Plant	0.00	94.27	94.27
4.11 Fire Fighting System	0.00	31.97	31.97
4.12 Air Compressor	0.00	4.20	4.20
4.13 Other Equipments	0.00	54.23	54.23
4.14 Condensate Polishing Unit	0.00	12.00	12.00
4.15 Constr. Water Supply	0.00	1.13	1.13
4.16 Spares @ 2.5%	63.61	59.40	123.01
4.17 Freight & Insurance	101.28	97.41	198.69
4.18 Taxes	0.00	270.30	270.30
4.19 Erection, Testing & Commissioning	50.89	295.22	346.11
5 Electrical Works	0.00	578.00	578.00
5.1 Power Transformers	0.00	124.71	124.71
5.2 Bus Ducts	0.00	19.56	19.56
5.3 Switchgear	0.00	40.35	40.35
5.4 415 V System	0.00	102.70	102.70
5.5 DC Power Supply System	0.00	12.23	12.23
5.6 Power & Control Cables	0.00	96.59	96.59
5.7 Control & Relay Panels	0.00	18.34	18.34
5.8 Switchyard (By Transco)	0.00	0.00	0.00
5.9 Station Lighting System	0.00	42.79	42.79
5.10 Intercommunication System	0.00	7.34	7.34
5.11 Auxiliary Systems	0.00	31.12	31.12
5.12 Spares @ 2.5%	0.00	12.39	12.39
5.13 Freight & Insurance	0.00	0.00	0.00
5.14 Taxes	0.00	20.32	20.32
5.15 Erection, Testing & Commissioning	0.00	49.57	49.57
6 Instrumentation & Control Works	0.00	76.00	76.00
6.1 Equipment	0.00	65.18	65.18
6.2 Spares @ 2.5%	0.00	1.63	1.63
6.3 Freight & Insurance	0.00	0.00	0.00
6.4 Taxes	0.00	2.67	2.67
6.5 Erection, Testing & Commissioning	0.00	6.52	6.52
7 Total of Works	2760.81	4652.20	7413.00
8 Overhead Construction Cost	135.94	229.06	365.00
9 Contingency	0.00	235.84	235.84
9.1 On Civil Works	0.00	44.60	44.60
9.2 On Plant & Equipments	0.00	191.24	191.24
10 EHV Trans. Line	0.00	0.00	0.00
11 Total Hard Cost	2896.74	5117.10	8013.85
12 IDC	0.00	2004.82	2004.82
13 Margin Money for WC	0.00	0.00	0.00
14 Capitalized Project Cost	2896.74	7121.92	10018.66
15 Cost per Megawatt		5.06	

Item No.	Description	Qty.	Completed Cost (in Rs. Million)		
			Forex	Local	Total
300	CIVIL WORKS		0.00	10280.15	10280.15
a.	Plant Area Land Development incl. Drainage, Horticulture, Enabling Works etc.		0.00	773.25	773.25
b.	Roads, Bridges and Railway System		0.00	909.42	909.42
c.	Power Generating Block		0.00	3833.22	3833.22
d.	Plant Water System incl. Intake Pump House and Dyke for Raw Water line		0.00	1073.22	1073.22
e.	Coal Handling Plant		0.00	859.25	859.25
f.	Fuel Oil Handling & Storage Plant		0.00	27.18	27.18
g.	Ash Handling System		0.00	801.92	801.92
h.	Triple-flue Chimney (275 M. high) - 1 No.		0.00	424.71	424.71
i.	Switchyard - Under Transco's Scope		0.00	0.00	0.00
j.	Pipe-cum-Cable Rack and Trenches		0.00	130.06	130.06
k.	Misc. Plant Buildings		0.00	141.84	141.84
l.	Misc. Non-Plant Buildings		0.00	31.77	31.77
m.	Liquid waste Treatment & Other Environmental Requirements		0.00	39.22	39.22
n.	Construction Facilities		0.00	70.91	70.91
o.	Township including Residential Accommodation and Community Facilities (Augmentation)		0.00	155.43	155.43
p.	Other misc. and unforeseen items incl. Architectural Works @ 10 % of item a. to o.		0.00	927.14	927.14
q.	Works Contract Tax etc.		0.00	81.61	81.61
q.	TOTAL OF CIVIL WORKS		0.00	10280.15	10280.15