

TERMS AND CONDITIONS OF SANCTION

1.0 AGREEMENT

- 1.1 Before release of the loan installment, the Borrower shall execute a Memorandum of Agreement (MOA) in the form prescribed by National Capital Region Planning Board hereafter referred to as 'the Board' for the purpose of availing loan and submit all other documents as required within 40 days of the date of letter of sanction of loan. However, in case the Borrower applies before the expiry of 40 days with valid reasons, the Board reserves the right to give a time extension.

2.0 RATE OF INTEREST

- 2.1 The Borrower shall pay interest on the said Loan at the rate of interest prevailing on the date of each disbursement. The current rate of interest alongwith Performance based Incentives relating to interest rebate is given at Annexure-I. The interest in favour of the Board shall begin to accrue from the date of cheque issued by the Board. The installment of interest will be payable annually and shall accrue from the date of disbursement by the Board and shall be payable on the anniversary date every year. The amount of interest payable will be calculated at the applicable rate upto the date immediately preceding the due date of payment. Computation of interest shall be made on a daily basis using a factor of 365 days.
- 2.2 Notwithstanding any thing stated herein above, the Board shall be at liberty and shall have the right to revise the rate of interest on the loan amount or part thereof yet to be disbursed by giving prior written notice to the Borrower of such revision. For this purpose, rate of interest on the loan shall be linked to the rates of 10- year Government Securities prevailing on the date of sanction of the Project by the Project Sanction and Monitoring Group of the Board and there shall be no revision in the

interest rate till increase of 50 basis points thereto. The Board, however, reserves the right to revise the rate of interest on loan amount, if the increase is over 50 basis points. The revised rate shall take effect from such date as may be specified by the Board in this behalf. In case the Borrower does not agree to the reset rate, the Borrower shall have the option to prepay the entire loan amount alongwith pre-payment charges.

3.0 REPAYMENT OF LOAN

3.1 The loan shall be repaid by the Borrower annually on or before the anniversary date of the drawal as per the schedule placed at Appendix-II.

4.0 PENALTY, PRE-PAYMENT CHARGES, ETC.

4.1 In the event of the interest or the principal not being paid to the Board by the Borrower on the due date as indicated in the foregoing clauses, the Borrower shall pay to the Board a penal interest of 2.75% over and above the rate of interest at which the loan is sanctioned as mentioned in Appendix-I & II.

4.2 Under normal circumstances the Board shall not accept prepayment. In the event of a Borrower deciding to pre-pay the loan after withdrawal of one or more installments, the Borrower will pay a pre-payment charge @ 1% of the principal loan amount outstanding. Prepayment shall not be accepted during the moratorium period of the Project. Notwithstanding anything stated above, it is stipulated that for cases with litigation or where the Project is completed before the schedule and the borrower is getting huge cash inflow etc., it will be at the discretion of the PSMG to accept prepayment more than 25% on the case to case basis.

4.3 The Borrower shall also pay on demand all costs, charges, expenses, losses and other money that may be incurred by the Board, in connection with remittance/ receipt of moneys to or to the order of or from the borrower, or in connection with protecting and/or enforcing the rights of

the Board under the Memorandum of Agreement and/or Guarantee Deed and/or any other document for the loan in question. The decision of the Board with regard to the amount/loss incurred on these, shall be final and binding on the Borrower.

5.0 APPROPRIATION OF AMOUNT PAID BY THE BORROWER

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

- a) Costs, charges, expenses, losses, applicable taxes, statutory duties and other moneys,
- b) Interest on costs, charges, expenses, losses, applicable taxes, statutory duties and other moneys,
- c) Penal interest,
- d) Interest/ interest tax,
- e) Repayment of principal in the order of the occurrence of the dues;
&
- f) Prepayment of principal.

6.0 ALL PAYMENTS TO BE RELALISABLE AT PAR IN NEW DELHI

6.1 The Borrower shall so arrange that the amounts due and payable to the Board are realizable by the Board at par on the due date of the relevant payments in New Delhi.

6.2 In case the standard due date falls on a Saturday, Sunday, or a public holiday the payment made on the next working day following Saturday / Sunday or a public holiday shall be regarded as payment on the due date and no interest/ penal interest shall be charged for the day or days by which the recovery is postponed.

7. GUARANTEE AND SECURITIES :

7.1 The loan shall be guaranteed fully, unconditionally and irrevocably either by the State Government or by the any scheduled commercial bank, in

respect of repayment of principal, interest leviable, service charges thereon, penal interest and payment of other charges such as recall charges, pre-payment charges and deferment charges (if applicable) and the State Government or any of the Banks as aforesaid shall execute the Guarantee Deed/ Guarantee Bond in the form prescribed by the Board for this purpose.

OR

CHARGE ON ASSETS:

I. The loan together with all interest (including penal interest), costs, expenses and other moneys whatsoever stipulated in the Memorandum of Agreement shall be secured by:

a) a first charge, by way of mortgage with reference to stipulated immovable properties in favour of the Board;

AND

b) a first charge by way of hypothecation in favour of the Board of all the Borrower's movable assets (save and except book debts), including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at project sites (_____), during the course of implementation of the Project.

The Borrower shall make out a good marketable title of its properties to the satisfaction of the Board and comply with all such formalities as may be necessary or required for the said purpose.

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

III. Registration of charge: The Borrower shall submit the particulars of the charge/s to be registered with the Registrar of companies (ROC) as per the Companies Act and will get the same registered within stipulated time. In compliance of this requirement, the Borrower shall submit a certificate from the ROC certifying the registration of charge/s.

And/or

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

7.2 The borrower shall open an Escrow Account for the entire pendency of the loan to the satisfaction of the NCRPB.

7.3 In the event of the Borrower being a Department of a State Government/ GNCT of Delhi, the borrowing Department shall furnish an undertaking from the Finance Secretary of the concerned Govt. assuring that appropriate provisions shall be made in the Annual Budgets of the State for the required period for repaying the loan.

8 MAINTENANCE OF ACCOUNTS AND AUDIT :

8.1 The Borrower shall maintain proper accounts and other records and prepare annual accounts including the profit and loss account and the balance sheet in the forms and manner prescribed by the appropriate authority or in accordance with any statute as applicable. The Borrower shall furnish to the Board, the unaudited annual accounts within six months and audited accounts within one year of the close of the year to which the accounts relate.

9 INSPECTIONS :

9.1 It would be open to the Board to depute its Officers/nominees for inspection of record relating to this loan and its purposes. The inspecting staff shall be provided full access to such books, records and stores of the

Borrowers as will be deemed necessary by the inspecting Officers/nominees. The Borrower shall extend all courtesies and facilities to the inspecting officers/ nominees for the purpose of carrying out inspections and render such explanation or elucidation as may be required by the Officers of the Board and or its nominees as well as permit photocopies of/or extracts of documents.

- 9.2 The Board shall appoint a Third Party Inspection and Monitoring agency to carry out physical and financial monitoring of the Project. The cost incurred on such TPI&M work shall be an integral part of the total project cost and will be borne by the borrower. In case the project is being implemented with the finance /collaboration of a PSU or any other body supported by the Central Govt. which has a well-developed institutional system for TPI&M, the Board reserves the right to desist from engaging a separate TPI&M agency.

10.0 REPORTS :

- 10.1 The Borrower shall also furnish to the Board such Reports on its working, either in general or with specific reference to this loan, in the manner prescribed by the Board from time to time.
- 10.2 The Board shall monitor the progress of the Project/ Scheme financed by it on a continuous basis. In this respect :
- a) The Borrower shall furnish periodic progress Reports in the formats, as prescribed by the Board, on the utilization of this loan and on the physical progress of the Project/Scheme on a monthly or quarterly basis (as required).
 - b) The Borrower shall provide full cooperation and access to the officials of the Board for monitoring the Project through visits to Project related sites, stores as well as its Head Quarters. The Borrower shall also provide all documents, as may be deemed necessary, for assessing the physical as well as financial progress of the Project.

- 10.3 The Borrower shall furnish a Completion Report on the successful completion of the Project within three months of the date of completion of the Project/ Scheme as per the format prescribed by the Board.
- 10.4 In case the Board is not satisfied with the progress of the Project/ Scheme financed or the utilization of financial assistance provided, it may resort to remedial measures as stipulated in the DEFAULT clause given hereunder.

11.0 DEFAULT:

- 11.1 In case the Board comes to the considered conclusion at any time during the implementation of the Project or the pendency of the loan that the amount already disbursed has not been properly and effectively utilized by the Borrower for the Project/ Scheme or the progress achieved in its implementation is inadequate or certain condition(s) of this loan have not been complied with, the Board shall have absolute discretion to suspend, reduce, cancel, alter or delay disbursement of said loan and/or installments in any manner and may decline to disburse any or all the remaining installments without assigning any reason thereof to the Borrower and without being liable for any losses or damages.
- 11.2 ***Recall of Loan:*** If the Borrower defaults in the payment of principal or interest or any other payment required under the loan agreement, the Board may issue a Notice to the Borrower and to the guarantor, for recall of the principal amount outstanding, the interest payable and other charges leviable thereon. The Borrower will be required to reply within 21 days of the date of issue of the said Notice. In case the Board does not find the reply tenable, the Board reserves the right to recall the entire principal amount, interest payable and other charges leviable thereon in one full and final payment. In the event of the Board deciding on Recall, the Borrower shall comply with the Recall by making the said full and final payment within 15 days of the order of Recall. In case the Borrower delays the full and final payment beyond 15 days from the order of recall, the delay will

attract a penal interest @ 2.75% per annum over and above the normal rate till the date of full and final payment without prejudice to the right of the Board to initiate action with regard to recovery of the principal amount outstanding, the interest payable and other charges leviable thereon by invoking guarantees, charge on assets and other securities.

12. UTILISATION OF LOAN AND COMPLETION OF PROJECT :

- 12.1 The Borrower shall ensure that the equipment/ materials for which the loan has been obtained from the Board are utilized for the implementation of the stated Project.
- 12.2 The Borrower shall take all necessary steps to ensure that the project is completed as envisaged in the manner and according to the time schedule envisaged, i.e. by the end of _____.
- 12.3 The borrower shall furnish a Completion Report on the successful completion of the project within two months of the completion of the Project/ Schemes as per the format prescribed by the Board.

13 DRAWAL OF LOAN :

- 13.1 The Borrower shall furnish to the Board a Execution Schedule with Expenditure Details (ESED) in the prescribed form indicating complete details of the activities/tasks completed/to be completed alongwith task-wise cost and Date of Completion of each task for which the payments are required to be made or become due at the time of drawal of loan instalments.
- 13.2 The Borrower shall submit an Application for drawal of the loan duly supported by various Certificates and Documents as prescribed by the Board.
- 13.3 The loan shall be disbursed according to the disbursement procedure of the Board as modified/ amended from time to time. Normally,

disbursement will be made on the basis of the Report of appointed TPI&M agency duly certifying progress of work in physical and financial terms including the quality and quantity of equipment/ materials ordered/ supplied as required for the completion of the Project / Scheme and payments for such equipments/ materials becoming due to the supplier(s) concerned and also in respect of the civil/ electric works completed / proposed to be completed in the next phase of implementation of the Project/ Scheme through any agency(ies) engaged for the said purpose.

- 13.4 The Board shall not be liable for any charge whatsoever for which the Borrower may become liable due to delayed payment by the Borrower in respect of equipments/ materials ordered/ supplied or in respect of civil/ electrical works executed by agencies (appointed by the Borrower).
- 13.5 The borrower shall draw the loan as per drawal schedule and the closing date of loan shall be by the end of _____ or such other date as may be agreed to by the Board.

14.0 UNDERTAKINGS FROM THE BORROWER :

- 14.1 The Borrower shall furnish following undertakings, through “Board Resolution” of its Board of Directors/Local Bodies Council at the time of execution of MOA to the effect that :
- i) The borrower shall not sell/ transfer or abandon the Project at any stage in any manner whatsoever without prior written consent of the NCR Planning Board.
 - ii) In case of sale/ transfer/ abandonment of the project or assets, the Borrower shall pay to NCRPB the entire loan outstanding and interest thereon due alongwith other charges leviable thereon in one installment or in a manner as may be agreed upon between NCRPB and the Borrower before such transfer is effected.

15.0 MISCELLANEOUS PROVISIONS :

- 15.1 The Borrower shall be bound to follow and give effect to all instructions/ recommendations of the Board with regard to payment of loan and other charges as well as reports and returns related to the Project / Scheme.
- 15.2 The said loan shall also be subject to such further terms and conditions as may be laid down in the form of an agreement to be executed by the Borrower with the Board.
- 15.3 The Borrower shall during the currency of the loan and the implementation of the Project bear all such imposts, duties and taxes or any other charges as may be levied in relation to the Project / Scheme from time to time by the Government or any other competent authority.