

### Summary of Financial Creditors Claim

*INR in Crores*

S.No	Name of FC	Claim Filed	Claim Under Verification	Claim Rejected	Voting Share (%)
1	Punjab National Bank	934.82	934.82	-	13.79%
2	Bank of Baroda	832.00	832.00	-	12.28%
3	Rural Elec Corp	816.34	816.34	-	12.05%
4	Bank of India	793.67	793.67	-	11.71%
5	Canara Bank	597.77	597.77	-	8.82%
6	IDBI Bank	527.89	527.89	-	7.79%
7	UCO Bank	476.79	476.79	-	7.04%
8	Corporation Bank	361.03	361.03	-	5.33%
9	Andhra Bank	324.98	324.98	-	4.80%
10	LIC	317.95	317.95	-	4.69%
11	United Bank	277.51	277.51	-	4.10%
12	Punjab & Sind Bank	232.28	232.28	-	3.43%
13	Oriental Bank of Commerce	168.64	168.64	-	2.49%
14	Indian Overseas Bank	115.03	115.03	-	1.70%
	<b>Total</b>	<b>6,776.60</b>	<b>6,776.60</b>	-	<b>100%</b>

**Summary of Operational Creditors Claim**

S. No.	Party Name	Claim Filed	Claim Admitted	Claim Under Verification
1	National Security Deposit Limited	105,411	-	105,411
2	Brahmayya & Co.	707,186	707,186	-
3	Ankur Sood, Advocate	70,000	-	70,000
	Total	882,597	707,186	175,411

## **Bank-wise details of securities given**

**I) Punjab National Bank**

**1st pari-passu charge on the following:**

- a) First charge by way of Mortgage in favour of lenders of all the immovable properties, present and future, of the borrower relating to the project.
- b) A first charge by way of hypothecation in favour of lenders of all the Company's movable, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future relating to project;
- c) A first charge on Company's book debt, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future relating to the project;
- d) A first charge by way of assignment or creation of charge in favour of the lenders of the project
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time.
  - All the right, title, interest, benefit, approvals and interest, claims and demands whatsoever of the company in the clearances, permits, approvals. consents agreements.
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents and
  - All insurance contracts/insurance proceeds relating to the project;

First charge on all the Letters of credit, trust and retention accounts, DSRAs and other reserves and any other reserves and any other Bank accounts of the company wherever maintained for the project.

**Collateral:**

- a) Pledge of 51% of share of the borrowing company held by promoter's group companies: The shares of the company are not listed in NSE/BSE and the same has been pledged in terms of sanction
- b) Personal Guarantee of Mr. L Madhusudhan Rao and Smt. L Ramalakshamma.
- c) Corporate guarantee of Lanco Thermal Power Ltd.
- d) Corporate guarantee of Lanco Infratech Ltd

## **II) Bank of Baroda**

A first charge by way of mortgage of all the immovable properties, present and future, of the borrower relating to the project within 12 months from date of 1st disbursement in favour of lenders. However, first charge by way of mortgage on the land would be created in favour of lenders as per schedule given below:

- a) 50% of land should be mortgaged within 6 months from date of first draw down.
  - b) 30% of land should be mortgaged within 12 months from date of first draw down.
  - c) Balance 20% of land should be mortgaged 6 months prior to the date of commencement of commercial operations.
1. A first charge by way of hypothecation in favour of lenders of all the Company's movable assets including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future relating to project:
  2. A first charge on Company's book debt, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future, relating to the project;
  3. A first charge by way of assignment or creation of charge in favour of the lenders of the project
    - All the right, title, interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents all as amended, varied or supplemented from time to time;
    - All the right, title, interest, benefit, approvals and interest, claims and demands whatsoever of the company in the clearances, permits, approvals, consents agreements.
    - All the right, title, interest, benefit, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents and
    - All insurance contracts/ insurance proceeds relating to the project;
  4. First charge on all the Letters of credit, trust and retention accounts, DSRAs and other reserves and any other reserves and any other bank accounts of the company wherever maintained for the project.
  5. Pledge of 51% of project equity till currency of loan in favour of lenders; however, 26% of the equity would be released after 50% of loan is repaid.
  6. In case the coal allocation for the balance 660 MW is not tied up within 6 months after the financial closure, the company shall arrange for pledge of 24% of additional project equity in favour of the lenders; however, the same shall be released upon coal allocation for the 660 MW is tied up.

The aforesaid securities are in rank of pari-passu with all security created / to be created in favour of the project lenders subject to charges created or to be created in favour of the borrower's bankers on its current assets for securing its working capital facilities.

**Security for Term Loan — I has been created as under -**

- a) First Charge on the assets of the company has been created in favor of Lenders on 12.01.2011.
- b) Equitable mortgage of entire land of 560.64 acres has been created. (EM for 431.16 acres created on 16.09.2011 and for 129.48 acres of land EM created on 28.03.2012)
- c) 7,03,78,521 preferential shares of the company held by M/s Lanco Infratech Ltd has been pledged on 20.01.2012]

Modification of charge dated 12.01.2011 modified on 19.05.2016, executed between Lanco Vidarbha Thermal Power Ltd and PNB Investment services Ltd. Charge ID 10266656.

**Names of Guarantors:**

Personal Guarantee of —

Mr. L. Madhusudan Rao

Mrs. L. Ramalaksmamma (Mother of Mr. L.Madhusudan Rao)

Corporate Guarantee of —

Lanco Infratech Limited

Lanco Thermal Power Limited

### **III) REC Limited**

1. For Securing the REC Loan Facilities, LVTPL has created following securities:
2. Mortgage of immovable property/Land.
3. Hypothecation /charge over movable assets of the Borrower
4. Indenture of Mortgage for assignment of Project Documents

Estimated value of the securities is Rs. 4804.37 Crore

#### **IV) Bank of India**

A first pari-passu charge by way of mortgage of all the immovable properties, present and future, of the company relating to the project as per schedule given below:

- a) 50% of land should be mortgaged within 6 months from date of first draw down.
- b) 30% of land should be mortgaged within 12 months from date of first draw down.
- c) Balance 20% of land should be mortgaged 6 months prior to the date of commencement of commercial operations.

A first charge by way of hypothecation in favour of lenders of all the Company's movable assets including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future relating to project:

A first charge on Company's book debt, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future, relating to the project;

A first charge by way of assignment or creation of charge in favour of the lenders of the project

- All the right, title, interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents all as amended, varied or supplemented from time to time;
- All the right, title, interest, benefit, approvals and interest, claims and demands whatsoever of the company in the clearances, permits, approvals, consents agreements.
- All the right, title, interest, benefit, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents and
- All insurance contracts/ insurance proceeds relating to the project;

First charge on all the Letters of credit, trust and retention accounts, DSRAs and other reserves and any other reserves and any other bank accounts of the company wherever maintained for the project.

Pledge of 51% of project equity till currency of loan in favour of lenders; however 26% of the equity would be released after 50% of loan is repaid.

In case the coal allocation for the balance 660 MW is not tied up within 6 months after the financial closure, the company shall arrange for pledge of 24% of additional project equity in favour of the lenders; however, the same shall be released upon coal allocation for the 660 MW is tied up.

The aforesaid securities are in rank of pari-passu with all security created / to be created in favour of the project lenders subject to charges created or to be created in favour of the borrower's bankers on its current assets for securing its working capital facilities.



## V) Canara Bank

The existing RTL and the Additional RTL with interest thereon, further interest, liquidated damages, costs, expenses and all other monies whatsoever shall be secured by a rank pari-passu charge of project on all mortgages, charges, assignments and pledge as per standard security package and as identified by and between consortium members, in a form satisfactory to the lenders, including inter-alia the following:

- a) A First charge by way of Mortgage in favour of lenders of all the immovable properties, present and future, of the borrower relating to the project.
- b) A first charge by way of hypothecation in favour of lenders of all the Company's movable, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future relating to project;
- c) A first charge on Company's book debt, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future relating to the project;
- d) A first charge by way of assignment or creation of charge in favour of the lenders of the project
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time;
  - All the right, title, interest, benefit, approvals and interest, claims and demands whatsoever of the company in the clearances, permits, approvals, consents agreements;
  - All the right, title, interest, benefit, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond provided by any party to the project documents and
  - All insurance contracts/insurance proceeds
- e) First Charge on all the Letters of Credit, Trust and Retention accounts, DSRAs and other reserves and any other reserves and any other bank accounts of the Company wherever maintained for the project;
- f) Pledge of 51% of project equity till currency of loan in favour of lenders;

The aforesaid security will rank pari passu with all security created/to be created in favour of the project lenders.

### i. Cersai IDS

Lanco Vidharbha Asset ID					
S NO	Asset ID	S NO	Asset ID	S NO	Asset ID
1	400000010287	17	400000009372	33	100003302631
2	400000010179	18	100003304725	34	400000010709
3	400000010087	19	100003303965	35	400000010664
4	400000009766	20	100003401144	36	400000010575
5	400000009138	21	100003306168	37	400000009612
6	100003305103	22	100003303124	38	400000009528
7	100003308016	23	400000009714	39	400000009427
8	100003307525	24	400013581996	40	100003307232
9	400000010129	25	100003382329	41	100003305801
10	400000009961	26	400000010030	42	400000010626
11	100003303526	27	400000009808	43	400000009900

12	400000010224	28	100003400305	44	400000009857
13	400000009291	29	100003351942	45	400000009473
14	100003304312	30	100003308330	46	400000009228
15	400000010741	31	100003306770	47	100003357026
16	400000009576	32	100003305460		

ii. Charge IDS with ROC: ROC Charge ID 10266656 dt 12.01.2011

**Details of Personal Guarantee and Corporate Guarantee given to the Corporate Debtor are as follows:**

**I. Personal Guarantee (for term loans and NFB limits):**

- A. Personal guarantee executed by L Madhusudhana Rao on 31-03-2015 and 22-01-2016
- B. Personal guarantee executed by L Ramalakshamma on 31-03-2015 and 22-01-2016

**2. Corporate Guarantee (for term loans and NFB limits):**

- A. Corporate guarantee executed by M/s Lanco Infratech Limited on 12-01-2011
- B. Corporate guarantee executed by M/s Lanco Thermal Power Limited on 09-09-2015

## VI) IDBI Bank

A first pari-passu charge by way of mortgage of all the immovable properties, present and future, of the company relating to the project as per schedule given below:

- d) 50% of land should be mortgaged within 6 months from date of first draw down.
- e) 30% of land should be mortgaged within 12 months from date of first draw down.
- f) Balance 20% of land should be mortgaged 6 months prior to the date of commencement of commercial operations.

A first charge by way of hypothecation in favour of lenders of all the Company's movable assets including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future relating to project:

A first charge on Company's book debt, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future, relating to the project;

A first charge by way of assignment or creation of charge in favour of the lenders of the project

- All the right, title, interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents all as amended, varied or supplemented from time to time;
- All the right, title, interest, benefit, approvals and interest, claims and demands whatsoever of the company in the clearances, permits, approvals, consents agreements.
- All the right, title, interest, benefit, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents and
- All insurance contracts/ insurance proceeds relating to the project;

First charge on all the Letters of credit, trust and retention accounts, DSRAs and other reserves and any other reserves and any other bank accounts of the company wherever maintained for the project.

Pledge of 51% of project equity till currency of loan in favour of lenders; however 26% of the equity would be released after 50% of loan is repaid.

In case the coal allocation for the balance 660 MW is not tied up within 6 months after the financial closure, the company shall arrange for pledge of 24% of additional project equity in favour of the lenders; however, the same shall be released upon coal allocation for the 660 MW is tied up.

The aforesaid securities are in rank of pari-passu with all security created / to be created in favour of the project lenders subject to charges created or to be created in favour of the borrower's bankers on its current assets for securing its working capital facilities.

### **Names of Guarantors:**

Personal Guarantee of —

Mr. L. Madhusudan Rao

Mrs. L. Ramalaksmamma (Mother of Mr. L. Madhusudan Rao)

Corporate Guarantee of —

Lanco Infratech Limited

Lanco Thermal Power Limited

## **VII) UCO Bank**

- A. first charge by way of mortgage in favour of lenders of all the immovable properties, present and future, of the borrower relating to the project
- B. A first charge by way of hypothecation in favour of lenders of all the Company's movable, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future relating to project;
- C. A first charge on Company's book debt, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future relating to the project;
- D. A first charge by way of assignment or creation of charge in favour of the lenders of the project
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time;
  - All the right, title, interest, benefit, approvals and interest, claims and demands whatsoever of the company in the clearances, permits, approvals, consents agreements
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in any letter of credit, guarantee, performance-bond provided by any party to the project documents and
  - All insurance contracts/insurance proceeds; relating to the project;
- E. First charge on all the Letters of credit, trust and retention accounts, DSRAs and other reserves and any other reserves and any other bank accounts of the company wherever maintained for the project.

Pledge of 51% of project equity till currency of loan in favour of lenders; however 26% of the equity would be released after 50% of loan is repaid.

The aforesaid security will rank pari- passu with all security created / to be created in favour of the project lenders subject to charges created or to be created in favour of the borrower's bankers on its current assets for securing its working capital facilities.

### **Personal Guarantee**

- L Madhusudan Rao-
- L Ram Laksmamma

### **Corporate Guarantee**

- Lanco Infratech Limited
- Lanco Thermal Power Limited

## **VIII) Corporation Bank**

### **Primary Security:**

- a) Extension of 1st pari passu charge on the following: First charge by way of Mortgage in favour of lenders of all the immovable properties, present and future, of the borrower relating to the project.
- b) A first charge by way of hypothecation in favour of lenders of all the Company's movable, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future relating to project;
- c) A first charge on Company's book debt, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future relating to the project;
- d) A first charge by way of assignment or creation of charge in favour of the lenders of the project
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time;
  - All the right, title, interest, benefit, approvals and interest, claims and demands whatsoever of the company in the clearances, permits, approvals, consents agreements
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents and
  - All insurance contracts/ insurance proceeds relating to the project;
- e) First charge on all the Letters of credit, trust and retention accounts, DSRAs and other reserves and any other reserves and any other bank accounts of the company wherever maintained for the project.

### **Collateral Security:**

Pledge of shares:

- a) At least 51% of project equity till currency of loan. (Pledge over shares shall be subject to Section 19(2) and 19(3) of Banking Regulation Act, 1949).
- b) Pledge of all incremental shares (Equity / CCPL) being issues after 31.12.2014 (in line with PNB sanction letter).

### **Names of Guarantors:**

Personal Guarantee of —

Mr. L. Madhusudan Rao

Mrs. L. Ramalaksmamma (Mother of Mr. L.Madhusudan Rao)

Corporate Guarantee of —

Lanco Infratech Limited

Lanco Thermal Power Limited

## **IX) Andhra Bank**

1. First charge by way of Mortgage in favour of lenders of all the immovable properties, present and future, of the borrower relating to the project.
2. A first charge by way of hypothecation in favour of lenders of all the Company's movable, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future relating to project;
3. A first charge on Company's book debt, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future relating to the project;
4. A first charge by way of assignment or creation of charge in favour of the lenders of the project
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time;
  - All the right, title, interest, benefit, approvals and interest, claims and demands whatsoever of the company in the clearances, permits, approvals, consents agreements
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents and
  - All insurance contracts/ insurance proceeds relating to the project;
  - First charge on all the Letters of credit, trust and retention accounts, DSRAs and other reserves and any other reserves and any other bank accounts of the company wherever maintained for the project.

**Pledge of shares:** *At least 51% of project equity till currency of loan.*

## **X) Life Insurance Corporation**

The Term Loans with interest thereon, further interest, liquidated damages, costs, expenses and all other monies whatsoever shall be secured by a rank pari-passu first charge of project on all mortgages, charges, assignments & pledge as per standard security package & was identified by and between consortium members, in a form satisfactory to the lenders, including inter-alia the following:

1. mortgage and charge in a form and manner acceptable to the Security Agent, over all the Borrower's immovable properties, both present and future on a reciprocal basis with the Unit I & II Lenders. Provided that, the Unit I and II Sub-debt Lenders shall be allowed a second charge on the mortgage as allowed in terms of the existing loan agreements.
2. hypothecation and charge, in a form and manner acceptable to the Security Agent, over all the Borrower's movable properties and assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangibles, including but not limited to goodwill, uncalled capital, both present and future, relating to the Project;
3. Charge on the Borrower's operating cash flows, book debts, receivables, commissions and revenues of whatsoever nature and wherever arising, both present and future, including but not limited to intangibles, goodwill, uncalled capital, relating to the Project.
4. A first charge by way of assignment in favour of the Lenders of project
  - (i) all the right, title, interest, benefit, claims and demand whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents, all as amended, varied or supplemented from time to time;
  - (ii) all the rights, title, interest, benefits, claims and demands whatsoever of the company in the clearances;
  - (iii) all the rights titles, interest, benefits, claims and demands, whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents and
  - (iv) all Insurance contracts/Insurance proceeds; relating to the project;
5. First charge on all the letters of credit, Trust and Retention Accounts, DSRAs and other reserves and any other bank accounts of the company wherever maintained for the project.

### **Collaterals:**

6. Pledge of Shares representing at least 60% (sixty percent) of the Project equity which includes preference shares, debentures or any other form of instruments, in favour of the Security Agent (acting on behalf of and for the benefit of the Secured Parties), at all times, until the Final Settlement Date. The shares to be pledged shall be free from any restrictive covenants / lien or other encumbrance under any contract/arrangement including shareholder agreement/joint venture agreement/financing arrangement with regard to pledge / transfer of the shares including transfer upon enforcement of the pledge and have full voting rights.
7. Unconditional and Irrevocable Corporate Guarantee of Lanco Infratech Ltd which shall fall off at the time of (i) successful completion of PG tests, witnessed by the LE or (ii) replacement of subordinate debt, if raised, in lieu of last mile equity, in full by equity, whichever is later.
8. Personal Guarantee of at least two promoter directors and shall furnish the Networth position as on recent date certified by Chartered Accountant.

9. LAPL shall maintain DSRA of at least 3 (three) quarters of principal and Interest repayment of the Facility till the Final Settlement Date.

The aforesaid first mortgage, assignment and charge on reciprocal basis shall rank pari-passu amongst the participating term lenders and existing working capital lenders.

If borrower defaults in servicing for two consecutive installments of loan and/or interest and/or other charges as per the terms of the Total Facility, the Bank will have an option to convert upto 15% of amount of executed financial assistance, on each occasion, into equity shares at book value till continuation of default.

In addition, Banks/Institutions giving sub-debt shall be allowed a second charge on the aforesaid security interests.



## **XI) United Bank of India**

### **1<sup>st</sup> pari passu charge on the following:**

- a) First charge by way of Mortgage in favour of lenders of all the immovable properties, present and future, of the borrower relating to the project.
- b) A first charge by way of hypothecation in favour of lenders of all the Company's movable, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future relating to project;
- c) A first charge on Company's book debt, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future relating to the project;
- d) A first charge by way of assignment or creation of charge in favour of the lenders of the project
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties, to such project documents, as amended, varied or supplemented from time to time;
  - All the right, title, interest, benefit approvals and interest, claims, and demands whatsoever of the company in the clearances, permits, approvals consents agreements
  - All the right, title, interest, benefit claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents and
  - All insurance contracts/ insurance proceeds relating to the project;

First charge on all the Letters of credit, trust and retention accounts, DSRAs and other reserves and any other reserves and any other bank accounts of the company wherever maintained for the project.

All the securities to be held by Security Trustee for the benefit of Lenders in a form and manner satisfactory to the Bank.

### **Personal guarantee of**

- L Madhusudan Rao, Promoter Director, LITL
- L Ramlakshmana, mother of L Madhusudan Rao and shareholder of LITL and
- New promoter director to be inducted to Lanco Vidarbha Board subsequent to resignation of Mr. Bhaskar Rao and his guarantee is to be obtained as proposed by our Bank in line with Lead Bank, PNB

### **Corporate guarantee of**

- Lanco Infratech Limited
- Lanco Thermal Power Limited

### **Collaterals:**

Pledge of shares: At least 51% of project equity till currency of loan. Pledge over shares shall be subject to Section 19 (2) and 19 (3) of Banking Regulation Act, 1949

## **XII) Punjab & Sind Bank**

- a) A first charge by way of mortgage of all the immovable properties, present and future, of the borrower relating to the project within 12 months from date of 1st disbursement in favour of lenders. However, first charge by way of mortgage on the land would be created in favour of lenders as per schedule given below:
  - 50% of land should be mortgaged within 6 months from date of first draw down.
  - 30% of land should be mortgaged within 12 months from date of first draw down.
  - Balance 20% of land should be mortgaged 6 months prior to the date of commencement of commercial operations.
- b) A first charge by way of hypothecation in favour of lenders of all the Company's movable, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future relating to project;
- c) A first charge on Company's book debt, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future relating to the project;
- d) A first charge by way of assignment or creation of charge in favour of the lenders of the project
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties, to such project documents, as amended, varied or supplemented from time to time;
  - All the right, title, interest, benefit approvals and interest, claims, and demands whatsoever of the company in the clearances, permits, approvals consents agreements
  - All the right, title, interest, benefit claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents and all insurance contracts/ insurance proceeds relating to the project;
  - All insurance contract/ insurance proceeds related to the project.
- e. First charge on all the Letters of credit, trust and retention accounts, DSRAs and other reserves and any other reserves and any other bank accounts of the company wherever maintained for the project.
- f. Pledge of shares: At least 51% of project equity till currency of loan in favor of lenders; however 26% of the equity would be released after 50% of loan is repaid.
- g. In case the coal allocation for the balance 660 MW is not tied up within 6 months after the financial closure, the company shall arrange for pledge of 24% of additional project equity in favour of the lenders; however, the same shall be released upon coal allocation for the 660 MW is tied up.

The aforesaid securities are in rank of pari-passu with all security created / to be created in favour of the project lenders subject to charges created or to be created in favour of the borrower's bankers on its current assets for securing its working capital facilities.

### **Collateral Security:**

- a) At least 51% of project equity till currency of loan. (Pledge over shares shall be subject to Section 19(2) and 19(3) of Banking Regulation Act, 1949).
- b) Personal Guarantee of Mr. L Madhusudhan Rao and Smt. L Ramalakshamma.
- c) Corporate guarantee of Lanco Thermal Power Ltd.
- d) Corporate guarantee of Lanco Infratech Ltd.

### **XIII) Oriental Bank of Commerce**

#### **Extension of 1st pari passu charge on the following:**

- a) First charge by way of Mortgage in favour of lenders of all the and future, of the borrower relating to the properties, present project.
- b) A first charge by way of hypothecation in favour of lenders of all the Company's movable, including movable plant & machinery, spares tools & accessories, furniture, fixtures, vehicles and all other movables assets, present and future relating to project.
- c) A first charge on Company's book debt, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future relating to the project.
  - A first charge by way of assignment or creation of charge in favour lenders of the project.
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time;
  - All the right, title, interest, benefit, approvals and interest, claims and demands whatsoever of the company in the clearances, permits, approvals, consents agreements
  - All the right, title, interest, benefit, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents and
  - All insurance contracts/ insurance proceeds relating to the project;
  - First charge on all the Letters of credit, trust and retention accounts, DSRAs and other reserves and any other reserves and any other bank accounts of the company wherever maintained for the project.

#### **Collateral:**

- a) Pledge of at least 51% of project equity till currency of loan. Pledge over shares shall be subject to Section 19(2) and 19(3) of Banking Regulation Act, 1949.
- b) Pledge of all incremental shares (Equity / CCPS) being issued after 31.12.2014.
- c) Personal Guarantee of Shri L Madhusudan Rao (Promoter Director of Sponsor Co.)
- d) Personal Guarantee of Smt. L. Ramalaksmamma (Promoter Director of Sponsor Co.)

#### **Corporate Guarantee of the following companies:**

- a) Corporate Guarantee of Lanco Infratech Limited
- b) Corporate Guarantee of Lanco Thermal Power Limited

#### **XIV) Indian Overseas Bank**

The rupee term loans with interest thereon, further interest, liquidated damages, costs, expenses and all other monies whatsoever shall be secured by rank pari-passu charge of project on all mortgages, charges, assignments and pledge as per standard security package and as identified by and between consortium members in a form satisfactory to the lenders including inter alia the following:

- A. first charge by way of mortgage in favour of lenders of all the immovable properties, present and future of the borrower relating to the project within 12 months from the date of first disbursement. However, first charge by way of mortgage on the land would be created in favour of lenders as per schedule given below:
- 50% of land should be mortgaged within 6 months from the date of first draw down.
  - 30% of land should be mortgaged within 12 months from the date of first draw down.
  - Balance 20% of land should be mortgaged 6 months prior to the date of commencement of commercial operations.

A first charge by way of hypothecation in favour of lenders of all the company's movable including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future relating to project.

A first charge on company's book debt, operating cashflows, receivables, commissions, revenues of whatsoever nature and whenever arising, present and future, intangibles, good will uncalled capital, present and future relating to the project.

A first charge by way of assignment or creation of charge in favour of the lenders of the project.

- All the right, title interest, benefit, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended varied or supplemented from time to time.
- All the right, title, interest, benefit approvals and interest, claims and demands whatsoever of the company in the clearances, permits, approvals consents agreements.
- All the right, title, interest, benefit claims and demands whatsoever of the company in any letter of credit guarantee, performance bond provided by all party to the project documents and
- All insurance contracts/insurance proceeds relating to the project.

First charge on the letters of credit, trust and retention accounts, DSRAs and other reserves and any other reserves and any other bank accounts of the company wherever maintained for the project.

In case the coal allocation for balance 660 MW is not tied up within 6 months after financial closure, the company shall arrange for pledge of 24% of additional project equity in favor of the lenders; however, the same shall be released upon coal allocation for the 660 MW is tied up.

The aforesaid security will rank pari-passu with all security created / to be created in favor of the project lenders subject to charges created or to be created in favor of the borrower's bankers on its current assets for security its working capital facilities.

Collateral Security: At least 51% of project equity till currency of loan Pledge over shares shall be subject to Section 19 (2) and 19 (3) of Banking Regulation Act, 1949.

Names of Guarantors:

Personal Guarantee of —

Mr. L. Madhusudan Rao

Mrs. L. Ramalaksmamma (Mother of Mr. L.Madhusudan Rao)

Corporate Guarantee of —

Lanco Infratech Limited

Lanco Thermal Power Limited