

भारतीय नैऋत्याधिकार

एक सौ रुपये

Rs. 100

रु. 100



ONE HUNDRED RUPEES

भारत INDIA

INDIA NON JUDICIAL

मध्य प्रदेश MADHYA PRADESH

Place: Bhopal  
Date: 27th July, 2009

Bank of India,  
New Delhi Large Corporate Branch,  
4, Parliament Street,  
PTI Building,  
New Delhi 110001.

Dear Sir,

We refer to the loan of Rs 1035.00 Crores sanctioned by HDFC Bank , Central Bank of India, Dena Bank and United Bank of India to NHDC Limited, a Company within the meaning of the Companies Act, 1956, and having its Registered Office at NHDC Parisar, Shyamla Hills, Bhopal hereinafter referred to as "the Borrower" of which Consortium YOU, Bank of India is recognized and appointed as the Security Trustee / Lenders Agent of the Consortium, known as "BOI Consortium".

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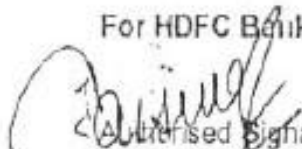
To enable you to take all actions and decisions within the overall framework of the stipulations contained in the Inter-Creditor Agreement dated 27<sup>th</sup> July, 2009 and other documents for and on behalf of us, WE HEREBY NOMINATE, APPOINT AND CONSTITUTE YOU, Bank of India, as our true and lawful attorney for us, in our name and on our behalf to do, execute and perform all acts, deeds and things as you may deem appropriate, necessary or expedient as the Lenders Agent / Security Trustee of the said BOI consortium and to execute for and on our behalf and in our name the Supplemental Deed of Hypothecation and all other agreements required to be entered into with the Borrower.


WE FURTHER HEREBY AGREE TO RATIFY AND CONFIRM whatever acts, deeds and things lawfully and bonafide done, taken or effected by YOU as the Security Trustee / Lender's Agent and as our attorney in exercise of the powers, authorities and liberties conferred upon, under and by virtue of the the Supplemental Deed of Hypothecation and other agreements to be entered into with the Borrower as also the INTERCREDITOR AGREEMENT between the Members of the said BOI consortium.

WE HEREBY DECLARE AND CONFIRM that this AUTHORITY given to YOU by us is and shall be irrevocable and unconditional and we are aware that on the strength of this AUTHORITY YOU have agreed to act as the Security Trustee / Lender's Agent. This letter of Authority shall be valid till such time we are members of the said BOI Consortium and shall come to an end automatically on our ceasing to be a member of the said BOI Consortium or withdrawal of this authority by us for which due intimation shall be given in writing.

Yours faithfully,

For HDFC Bank Ltd,

  
Authorised Signatory

  
TAVINDER PAL SINGH BINDRA  
EMP CODE # 10016  
SIG CODE # B-129

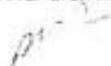


For Central Bank of India

  
Authorised Signatory



For Dena Bank

  
Authorised Signatory



For United Bank of India

  
Authorised Signatory





### SUPPLEMENTAL DEED OF HYPOTHECATION

This Supplemental Deed of Hypothecation (the "Deed") is executed at Bhopal on 27th July, 2009

BY -

**NHDC Limited** (formerly Narmada Hydroelectric Development Corporation Limited) (a joint venture company promoted by NHPC Limited (formerly National Hydroelectric Power Corporation Limited) and the Government of Madhya Pradesh), a company incorporated under the Companies Act, 1956 and having its registered office at NHDC Parisar, Shyamla Hills, Bhopal 462 013 (hereinafter referred to as the "Company/borrower" which expression shall, unless excluded by or repugnant to the subject and context, be deemed to mean and include its successors and permitted assigns)

IN FAVOUR OF:

1. **Union Bank of India**, a banking company constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having its Head Office at Union Bank Bhawan, 239, Vidhan Bhawan Marg, Mumbai- 400 021 and its branch office at M-11, First Floor, Middle Circle, Connaught Circus, New Delhi 110 001 (hereinafter referred to as "UBI" which expression shall be deemed to mean and include its successors and permitted assigns);



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2. **Punjab National Bank**, a banking company constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having its Head office at 7, Bhikaji Cama Place, Africa Avenue, New Delhi-110 066 and its branch office at 5, Sansad Marg, New Delhi 110 001, (hereinafter referred to as "PNB" which expression shall, unless it be repugnant to the subject or context thereof, mean and include its successors and assigns);
3. **Small Industries Development Bank of India**, a corporation established under the Small Industries Development Bank of India Act, 1989, having its Head Office at SIDBI Tower, 16 Ashok Marg, Lucknow -19 and its branch office at 11th Floor, Videocon Tower, E-1, Rani Jhansi Road, Jhandewalan Extension, New Delhi 110 05 (hereinafter referred to as "SIDBI" which expression shall be deemed to mean and include its successors and permitted assigns);
4. **Bank of Baroda**, a banking company, constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having its Head Office at Mandvi, Baroda and a branch office at Corporate Banking Branch, 11th Floor, 16 Sansad Marg, New Delhi - 110001 (hereinafter referred to as "BOB" which expression shall be deemed to mean and include its successors and permitted assigns);
5. **Indian Overseas Bank**, a banking company constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having its Head Office at 763, Anna Salai, Chennai 500 002 and a branch office at 14-15, Farm Bhavan, Nehru Place, New Delhi - 110 019 (hereinafter referred to as "IOB" which expression shall be deemed to mean and include its successors and permitted assigns);

(Banks at Serial No. 1 to five stated hereinabove are referred to as Existing Lenders hereinafter)

AND

6. **United Bank of India**, a banking company, constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 having its Head Office at 16, Fernanta Basu Sarani, (Old Court House Street) Kolkata 700 001 and a branch office at 106-109, Ansal Tower, 1<sup>st</sup> Floor, 38 Nehru Place, New Delhi 110 019 (hereinafter referred to as "United Bank" which expression shall be deemed to mean and include its successors and permitted assigns);
7. **Dena Bank**, a banking company, constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970,



one Bank by another during the currency of this Agreement, then the reconstituted Lenders will be governed by the provisions of this agreement as if they have been added or dropped herein as the case may be and the term "Banks" shall mean and deemed to include the reconstituted Lenders as well.)

WHEREAS:

A. The Company, a joint venture company promoted by NHPC Limited (formerly National Hydroelectric Power Corporation Limited), a Government of India enterprise and the Government of Madhya Pradesh ("NHPC" and "GoMP" respectively), was incorporated to construct, operate and maintain on an ownership basis, the infrastructure projects known as the 'Indira Sagar Hydroelectric Project' (the "Project") and the 'Omkareshwar Hydroelectric Project'. NHPC and GoMP respectively hold shares representing 51% and 49% of the paid up equity share capital of the Company.

B. Acceding to the Company's request for financial assistance, the existing Banks alongwith other banks, as per details given hereinafter, had collectively sanctioned term loans aggregating to Rs. 1858,00,00,000 (Rupees One Thousand Eight Hundred and Fifty Eight Crore) to the Company to enable it to execute the Project. Each Bank had provided a loan to the extent set out against its name, in accordance with the terms and conditions set out in their individual term loan agreements as under:

(Amount in crores)

S.No	Name of Bank	Amount sanctioned	Amount disbursed	Execution Date of Term Loan Agreement
1.	Bank of India	433	350	10 February, 2004
2.	Oriental Bank	200	200	30 December, 2003
3.	Union Bank of India	100	100	03 March, 2004
4.	PNB	200	200	13 March, 2004
5.	Canara Bank	150	150	09 February, 2004
6.	IOB	50	50	29 April 2004
7.	SIDBI	100	100	03 March, 2004
8.	P&S Bank	50	50	03 March, 2004
9.	Andhra Bank	100	100	09 February, 2004
10.	United Bank of India	100	100	03 March, 2004
11.	Dena Bank	100	100	09 March, 2004
12.	BOB	100	15	18 June, 2004
13.	J&K Bank	100	100	30 December, 2003
14.	Punjab National Bank	75	75	28 June 2005
	<b>TOTAL</b>	<b>1858</b>	<b>1690</b>	-



Signature

having its Head Office at Dena Corporate Centre, C-10, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 and a branch office at Betwa Apartment, Roshanpura Naka, T. T. Nagar, Bhopal (M. P.) 462 003 (hereinafter referred to as "Dena Bank" which expression shall be deemed to mean and include its successors and permitted assigns);

8. HDFC Bank Limited, a banking company, incorporated and registered under the Companies Act, 1956, having its Registered Office at HDFC Bank House, Senapati Bapat Marg, Lower Parel (West) Mumbai - 400 013 and a branch office Interalia at Eicheria No.94, Sec-B, behind Bombay Hospital, Ring Road, Indore 452 010.(hereinafter referred to as "HDFC" which expression shall be deemed to mean and include its successors and permitted assigns); and
9. Central Bank of India, a banking company, constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 having its Corporate Office at Central Bank of India, Chandermukhi, Nairman Point, Mumbai - 400 021 and a branch office at GTB Complex, TT Nagar, Bhopal, Madhya Pradesh 462 011 (hereinafter referred to as "CBI" which expression shall be deemed to mean and include its successors and permitted assigns);

(Banks at Serial No. 6 to 9 stated hereinabove are referred to as New Lenders hereinafter)

and

Bank of India, a banking company constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having its Head Office at Star House, Bandra Kurla Complex, Mumbai 400 051 and a New Delhi Large Corporate Branch at 4, Parliament Street Branch, PTI Building, New Delhi 110001, (hereinafter referred to as "BOI / Security Trustee" which expression shall be deemed to mean and include its successors and permitted assigns);

(UBI, PNB, SIDBI, BOB, IOB, United Bank, Dena Bank, HDFC, CBI, and BOI as Security Trustee are hereinafter collectively referred to as the "Banks/ BOI Consortium, which expression shall, unless it be repugnant to the subject or context thereof, include each of them, any one or more of them and their respective successors and assigns. The Banks and the Company shall hereinafter collectively be referred to as the "Parties" and individually as a "Party". By consent of all the parties, BOI is appointed as the Security Trustee. If the number of Banks are increased or diminished from time to time by adding or dropping of one or more bank or is changed by substitution of



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C. The company besides executing various security documents also executed "Deed of Hypothecation" on 05<sup>th</sup> July, 2005 in favour of the aforesaid banks and in pursuance of the Term Loan Agreements and as consideration for the Loan sanctioned to the Company for the purpose and subject to the terms and conditions set out in the respective Term Loan Agreements. It was thereby agreed and declared that as security for Company's repayment of the Loan together with interest, costs, charges and expenses to the Banks under the Loan Agreements,

- (i) all moveable and fixed assets of the Project, both present and future which *inter alia* include all present and future plant and machinery, turbine operators, transformers, control panels, control room equipments, switch yard equipments, site office equipment, construction equipment and all other moveable assets which were/ are not immoveable properties and were/ are capable of being passed on by delivery and were/ are now lying or shall hereafter from time to time, during the currency of these presents, lie in the possession of the Company and wherever the same may be held by the Company or by any third party to the order of or disposition of the Company or in course of transit or delivery stood hypothecated to the Banks by way of a first *pari passu* charge amongst the Banks; and
- (ii) all current assets in relation to the Project, both present and future which *inter alia* include the aggregate value of the Company's cash (including cash at bank), raw materials, book debts, revenues, receivables, claims (including claims by way of refund of customs/excise duties, bills, invoices, contracts, all insurance policies in relation to the Project, guarantees, engagements, securities, etc.), consumables and marketable securities and all monies owing to it in relation to the Project, stood hypothecated to the Banks by way of a first *pari passu* charge amongst the Banks.

All present and future moveable, fixed and current assets of the Company in relation to the Project, including but not limited to those illustrated above or which would otherwise be a moveable or fixed or current asset in relation to the Project, were/ are to be collectively referred to as the "Hypothecated Assets".

Further, to govern the terms and conditions of their relationship inter se, the Banks had entered into an agreement dated 05<sup>th</sup> July, 2005, hereinafter referred to as "Inter-se Agreement".



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Each Bank as per details given in para (B) hereinabove provided TERM LOAN to the extent set out against its name as set out in the table, in accordance with the terms and conditions set out in the individual Term Loan Agreement with the borrower (hereinafter collectively the "Term Loan Agreements" of individual banks).

D. The said Banks provided Term Loan to the borrower with rate of interest at 7.6742% (fixed) p.a. Subject to the terms and conditions contained in their respective Term Loan Agreements for a period of 15 years. Notwithstanding the foregoing, the Parties agreed that upon the expiry of 5 years from the date of disbursement of the Loan:

- (a) Banks shall have the right to recall the entire Loan from the Company ("Call Option"); and
- (b) the Company shall have the right to repay the entire Loan to BOI ("Put Option").

The Party exercising the Put/Call Option shall, prior to such exercise, provide the other with a written notice ("Notice") of its intention to exercise the option, which notice should be provided not less than 60 days prior to the expiry of 5 years from the date of disbursement of the Loan ("Notice Period"). The Borrower shall repay the Banks Dues within 60 days following the expiry of the Notice Period.

After the expiry of five years from the date of disbursement of the Term Loans, the following eligible banks exercised their call option and gave the requisite 60 days notice to the borrower to repay their respective dues:

1. ORIENTAL BANK OF COMMERCE;
2. CANARA BANK
3. PUNJAB AND SIND BANK
4. ANDHRA BANK
5. UNITED BANK OF INDIA
6. DENA BANK
7. BANK OF INDIA and
8. THE JAMMU AND KASHMIR BANK LIMITED

The borrower in discharge of its obligation, accordingly repaid the entire dues of the aforesaid banks in bullet payment and as such out of the said 13 banks, the borrower remained indebted to the following five Banks:

1. Punjab National Bank
  2. Union Bank of India
  3. Small Industries Development Bank of India
  4. Indian Overseas Bank and
  5. Bank of Baroda
- (Hereinafter referred to as Existing Lenders)



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The company for syndication of part refinancing of the Term Loan of "Indira Sagar Project" for the residual tenor of the original loan and balance capital expenditure of Indira Sagar Power Station aggregating to Rs. 1,035 Crores, in turn had approached the following banks for grant and disbursement of Term Loan and the said banks in turn have sanctioned/ disbursed a total Term Loan aggregating to Rs. 1,035 Crores against individual documents, as under:

Sr. No.	Bank	Amount (Rupees in Crores)	Term Loan Agreement dated
1	HDFC Bank Ltd., Scheme No.94, - Sec-B, Behind Bombay Hospital Ring Road, Indore 452 010	385.00	30 <sup>th</sup> April, 2009
2	Central Bank of India GTB Complex, TT Nagar, Bhopal - 462 011	312.00	30 <sup>th</sup> April, 2009
3	Dena Bank, TT Nagar Branch, Betwa Apartments, Roshanpura Naka, TT Nagar, Bhopal - 462 002	273.00	30 <sup>th</sup> April, 2009
4	United Bank of India Nehru Place Branch, 106-109, Ansal Tower, 38, Nehru Place, New Delhi - 110 019	65.00	30 <sup>th</sup> April, 2009
	Total	1035.00	

The copies of the sanction letter No. TTN/TL/101/2009 dated 21<sup>st</sup> April, 2009 of Dena Bank, No. "NIL" dated 24<sup>th</sup> April, 2009 of HDFC Bank, No. GMO/NIR/DBG/ADV/NHDC/270/2009 dated 13<sup>th</sup> April, 2009 of United Bank of India and No. BO/CREDIT/2009-10 dated 25<sup>th</sup> April, 2009 of Central Bank of India are Annexed as Annexures I to IV respectively.

In terms of the said Individual Term Loan Agreements executed with the New Lenders, the company agreed to repay the said advance to the said respective banks in 20 equal half-yearly instalments commencing from 30<sup>th</sup> September, 2009 and the company further agree to pay the amount of the said Term Loan alongwith interest @ 9.50% p.a. payable monthly, i.e., 2.50% below (250 bps below) BPLR of CBI fixed for 1st year reckoned from the date of first disbursement and for Second to the 10<sup>th</sup> year, annual reset every year at 2.50% below (250 bps below) the



BPLR of CBI prevailing on the date of respective reset. However, it is specifically agreed as under:

"Rate of interest should not be less than any other participating bank –  
Explanatory Note: The interest rate of Dena Bank as well as the other participating bank in the present credit facility of Rs. 1,035 Crores, i.e., Central Bank of India, United Bank of India and HDFC Bank shall be automatically reset on every reset date from 2<sup>nd</sup> – 10<sup>th</sup> year of the loan at 2.50% below (i.e., 250 BPS below) the BPLR of Central Bank of India as on the respective dates of reset. In this manner, the interest rate of all banks participating in the present credit facility of Rs. 1,035 Crores, details as given in Annexure, annexed to the agreement shall be homogenous and shall not vary inter-se during the currency of the loan/ till the maturity of the loan provided the date of first disbursement happens to be the same for present credit facility. However, in case of 1st date of draw/ disbursement not being the same for all the four participating banks in the present credit facility of Rs. 1,035.00 Crores, details as given in other part of these presents, there may arise a possibility where rate of interest for one or more banks differ for any reset date during the currency of the loan and in such a situation/ circumstances, higher rate of interest shall be paid/ payable to the bank/ lender for that particular period of annual interest reset/ resets. Further to this, also agreed that interest rate/ rates payable to any other existing/ prospective lender for future refinancing/ funding shall not have any relevance/ bearing on any of the obligation regarding rate of interest and other constituents of this loan agreement."

- E. As consideration for the Loan sanctioned by the New Lender Banks to the Company and as and by way of additional security for the repayment and discharge of the Loan together with interest and all other monies payable in that behalf, the Company is required to create/ extend in favour of the New Lender Banks besides its continuing liability towards the Existing Lenders, a first pari passu charge on all present and future moveable, fixed and current assets of the Company in respect of the Project in the manner hereinafter appearing.

NOW, THEREFORE, THESE PRESENTS WITNESSETH AND IT IS  
HEREBY MUTUALLY AGREED AND DECLARED BY AND AMONG THE  
PARTIES HERETO AS UNDER



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