

**GENERAL DECLARATIONS AND UNDERTAKINGS**

Place:  
New Delhi  
Date :

M/s Indian Renewable Energy  
Development Agency Limited  
Core-4A, East Court, Ist Floor,  
India Habitat Centre, Lodi Road,  
New Delhi - 110 003

**Ref: M/s. \_\_\_\_\_ Ltd. - Loan of Rs. \_\_\_\_\_  
lakhs sanctioned by IREDA (Project No. \_\_\_\_\_)**

Dear Sirs,

With reference to the aforesaid financial assistance granted to us by  
you, we, M/s. \_\_\_\_\_ Ltd., (the Company) having our  
Registered \_\_\_\_\_ Office \_\_\_\_\_ at  
\_\_\_\_\_ hereby give  
the following declarations and undertakings:-

I. (1) We have disclosed all facts relating to our Company to M/s Indian  
Renewable Energy Development Agency Ltd (IREDA).

2. We hereby declare that we have not charged/hypothecated or pledged any of our assets included in your security in favour of any of our Bankers or machinery suppliers or others and that the same are free from charges and lispendends whatsoever as stipulated by IREDA. In this connection we hereby agree and undertake to furnish to you a letter from the existing charge holders on the assets of the company that they have no objection to the creation of exclusive first mortgage/hypothecation charge on all the assets of the Company' pertaining to the proposed project in favour of IREDA within a period of 7 days from the date hereof. We further hereby agree and undertake to furnish to you a certificate from our Auditors to the effect that there are no encumbrances on the said Properties, within a period of 7 days from the date hereof.

3. We hereby declare that we are not carrying on any activity other than carrying on activities as per our Memorandum of Association and we shall not carry on any other trading activity without your prior written approval.

4. We declare that we can take up the project of Setting up of \_\_\_\_\_ Plant in terms of our Memorandum of Association.

5. We have paid all rents, royalties and all public demands such as income-tax, sales tax, and all other taxes and revenues payable to the Government of India or to the Government of any State or to any local authority and that at present there are no arrears of such rents, royalties, taxes and revenues due and outstanding and that no attachments or warrants have been served on us in respect of sales-tax, income-tax, Govt. Revenues and other taxes.

6. We further declare that our Board has power to borrow loan in terms of provisions of Section 293(1) (d) of the Companies Act, 1956 and the existing borrowings together with the proposed loan from IREDA are with in the borrowing powers of the Company.

7. We hereby further undertake that particulars of charges as required under the Companies Act, 1956 shall be filed by us with the Registrar of Companies within seven days from the date hereof and we shall forward to you, the certificate issued by the Registrar of Companies in that behalf immediately these are received by the Company.

8. We hereby agree, undertake and confirm that loan shall be released by IREDA and repaid by the Company in accordance with the provisions of the loan agreement and that IREDA reserves the right to accelerate repayment of IREDA's loan based upon performance/cash accruals of the company and that we shall abide by the decision of IREDA in this behalf.

9. We hereby confirm that we shall obtain NOC from the State Pollution Control Board and local bodies, if required.

10. We hereby agree and undertake that in case of any overrun in the cost of the project over and above estimated by IREDA for any reason whatsoever and/or for working capital requirements, we shall not ask you for any further loan from IREDA and the same will be arranged by our own resources or borrowing from other institution on such terms as may be acceptable to IREDA or by arranging additional equity by our promoters and/or unsecured subordinate loan on such terms as may be acceptable to IREDA without involving any liability on the part of the IREDA.

11. We hereby agree, undertake and declare that the Company has purchased/shall purchase quality marked machinery and equipments from reputed suppliers and all the project's contracts have been/ shall be made on competitive basis.

12. We hereby agree and undertake that we shall obtain such other clearances/ certificates/sanctions with reference to sanction that may be required by IREDA for smooth implementation of the project of the concern.

13. We hereby agree and undertake that IREDA shall have the right through its officers/nominees to inspect at our cost the projects and books of the company and take copies of the entries therein, wherever considered necessary.

14. We hereby agree and undertake that we shall maintain separate accounts regarding expenditure incurred out of the loan sanctioned by IREDA.

15. We hereby agree and undertake to ensure that the entire promoter contribution as per financing plan has been subscribed to and paid up in cash.

16. We hereby agree and undertake that in case of any reduction in the project cost, IREDA shall be entitled to offset by proportionate reduction in the IREDA's term loan and the Borrower shall abide by the decisions of IREDA.

17. We hereby agree and undertake that IREDA shall have right to review the cost of the project before final disbursement of the loan. Pending completion of the review, we shall obtain prior approval of IREDA for utilising the amount of the loan equivalent to the contingency provision in the cost of the project.

18. We hereby agree and undertake that we shall submit to IREDA details of lands viz. location map, site plan, building and Plant & machinery layout showing approach road to the lands on which the project is coming up certified from a certified Engineer and shall satisfy you in this behalf.

19. We hereby agree and undertake that we shall establish title in respect of land to be mortgaged to IREDA and to comply with formalities preceding to the creation of mortgage and complete the mortgage transaction within a period of six months from the date hereof.

20. We hereby agree and undertake that we shall furnish copies of Orders/Agreements already entered into/to be entered into for installation/erection of the \_\_\_\_\_, with the Machinery Suppliers/Contractors.

21. We hereby declare and confirm that the Company has acquired all the land required for the project and is in possession thereof.

22. We hereby agree and undertake that post dated cheques shall be issued on the Main Account of the company, we shall not cancel the post dated cheques deposited with IREDA and shall not close the Bank Account on which post dated cheques have been issued and shall not give instructions for stop payment of the Cheque(s) or give any contrary instructions for presentation of cheques nor change mode of operation of Bank Account on which post dated cheques have been issued during the currency of IREDA Loan.

23. The Company hereby agrees and undertakes to forward to IREDA within 7 days after approval by shareholders Annual Reports of the Company and also shall forward to IREDA quarterly unaudited results if finalised by the Company as soon as they are out and published in the news papers. The Company further agrees and undertakes to keep IREDA informed about its financial health at frequent intervals say at the end of each quarter during the year. The Company further agrees and undertakes that if there is downward trend of its networth it shall keep IREDA informed about its networth supported by Auditor's Certificate as on 30th September and 31st March each year and also shall advise IREDA about the remedial measures taken by it to check the erosion of its networth.

24. We shall comply with terms and conditions of the loan as are contained in the Loan Agreement dated \_\_\_\_\_ as amended from time to time.

II. We hereby agree and confirm that any breach of the above undertakings shall tantamount to be the breach of the terms and conditions of the loan and you shall be at liberty to take such action against us including withholding of the balance loan/ recalling the loan as you may deem fit.

Yours faithfully,  
for and on behalf of  
M/s. \_\_\_\_\_ Ltd.

Director