

**GENERAL CONDITION OF PARI PASSU ARRANGEMENT
FORMING PART OF THE MEMORANDUM**

1. a) The repayment of principal, payment of interest and all other monies payable to IREDA in respect of its loan of Rs. _____ lakhs lent to the Borrower in terms of the Loan Agreement dated _____, _____ executed between the Borrower and IREDA has been secured by hypothecation of all the movable properties and mortgage of all the immovable properties including those at _____ created/to be created by the borrower in favour of IREDA.

b) The repayment of principal, payment of interest and all other monies payable to _____ in respect of its loan of Rs. _____ lakhs lent to the Borrower in terms of the Loan Agreement dated _____, _____ executed between the Borrower and _____ has been secured by hypothecation of all the movable properties and mortgage of all the immovable properties including those at _____ created/to be created by the borrower in favour of _____.

(IREDA and _____ are hereinafter collectively referred to as "Joint Mortgagees")

(Movables and immovables hypothecated/mortgaged to IREDA and _____ mentioned hereinabove are hereinafter collectively referred to as "Mortgaged Premises").

2. During the subsistence of any of the Joint Securities, all insurance policies in respect of the Mortgaged Premises which are taken out by the Borrower in the joint names of the Borrower and the Joint Mortgagees with an insurance company or companies in such matter and for such value and against such risks as may be determined by the Joint Mortgagee shall be held and retained by the Lead Institution (unless otherwise agreed to by the Joint Mortgagees) in its custody for the mutual benefit of the Joint Mortgagees and the same shall be made available by the Lead Institution to other Joint Mortgagees whenever required by them or any of them against their/its accountable receipt for the same.

3. All the title deeds and documents relating to the Mortgaged Premises shall be held by and remain with the IREDA (unless otherwise agreed by the Joint Mortgagees) in its custody for the mutual benefit of the Joint Mortgagees and the IREDA shall as and when required by them or one or more of them, make available to them the said title deeds and documents against their/its accountable receipt or furnish at the expense of the Borrower photostate copies thereof.

4. If, pursuant, to any permission in writing that may be given by the Joint Mortgagees to the Borrower to sell any assets forming part of the Mortgaged Premises, the Borrower sells any such assets, the sale proceeds realized by the Borrower out of the sale of such assets shall, if the Joint Mortgagees so consent, be allowed to be utilized by the Borrower in acquiring additional capital assets and in the absence of such consent, the sale proceeds thereof shall be utilized by Lead Institution/Joint Mortgagees for appropriation in the same manner as provided in the Clause 8 hereof.

5. (a) Unless otherwise agreed to in writing between the Joint Mortgagees, the Borrower shall not be allowed to prepay any part of the liabilities of the Borrower inclusive, of principal, interest, additional interest, further interest, liquidated damages, commitment charges, prepayment premia, guarantee commission, costs, charges, expenses and other moneys and any amounts payable on account of devaluation/revaluation/fluctuation of foreign currencies for the time being outstanding and secured under the Joint Securities and due to each of the Joint Mortgagees (hereinafter collectively referred to as "the Principal Debts") without offering to prepay and prepaying a proportionate amount of the Principal Debts due to the other or others of the Joint Mortgagees to whom prepayment is acceptable nor shall any of the Joint Mortgagees accept such prepayment without giving 30 days prior notice in writing to the other or others of the Joint Mortgagees. If, however, such prepayment is not acceptable to any of the Joint Mortgagees, the share of such Joint Mortgagee to whom prepayment is not acceptable shall be offered and paid to the other Joint Mortgagees to whom prepayment is acceptable in proportion to the Principal Debts due to them.

b) If the Borrower makes payment to one or more of the Joint Mortgagees towards installment of principal, interest, commitment charge, liquidated damages or other moneys, in preference to the other Joint Mortgagees, the Mortgagee/Joint Mortgagees receiving said payment shall, notwithstanding anything contained in its security documents, share the same with other Joint Mortgagees on pro-rata basis or in such other manner as the Joint Mortgagees may mutually agree and such sharing shall be binding on the Borrower. On such sharing, the liability of the Borrower to each of the Joint Mortgagees shall stand reduced correspondingly.

c) Notwithstanding anything contained in clause (a) hereof, the Joint Mortgagees shall be under no obligation to accept any prepayment of the Principal Debts due to them.

6. All or any one or more of the Joint Mortgagees shall be entitled to bring a suit or other legal proceedings or to take any steps for enforcement of the security created in its or their respective favour or otherwise for realization of its or their respective Principal Debts from the Borrower and in the event of the institution of any such suit or other legal proceedings, the party so instituting shall join the other or others of them as are or as is not willing to join as party plaintiffs or plaintiff as party defendants or defendant in such suit or other legal proceedings.

7. Prior to taking any action for enforcement of any of the Joint Securities or concerning the Joint Securities, each of the Joint Mortgagees shall duly inform the other or others of the same and each of them shall also consult and cooperate with the others in respect of all matters pertaining to the Joint Securities so far as the same is practicable without affecting its own rights and each of them shall at all times keep the others informed of all serious and important matters coming to its knowledge relating to the premises mortgaged under the Joint Securities or any part or portion thereof or otherwise relating to the Borrower.

8. Notwithstanding anything to the contrary contained in or by virtue of or arising from or implied by the Joint Securities, all moneys available for distribution, *pari passu* mentioned in Clause 1 hereof shall be applied with all convenient dispatch in the manner hereinafter provided.

a) first, there shall be paid out of such moneys or provisions, made thereout for costs, charges, expenses incurred by the Joint Mortgagees or any one or more of them and incidental to the enforcement of the Joint Securities and/or realization or receipt of such moneys;

b) secondly, the balance of such moneys shall

i) in the event of the moneys so available for distribution being sufficient to pay each of them, the full amount of the Principal Debts due to each of the Joint Mortgagees respectively be applied simultaneously in the payment to each of them or their respective Principal Debts in full;

ii) in the event of the moneys available for distribution being insufficient to pay each of the Joint Mortgagees, the full amount of the Principal Debts due to each of the Joint Mortgagees respectively be applied *pari passu* as nearly as may be practicable towards payment to each of them without any preference or priority, whatsoever. The amount distributable to each of the Joint Mortgagees shall bear to the total distributable amount same proportion which the outstanding amounts of the Principal Debts due to each of the Joint Mortgagees bears to the aggregate of the

outstanding amounts of the Principal Debts due to all the Joint Mortgagees under the Joint Securities.

For the purpose of calculating the amounts due by the Borrower to IREDA and amounts which are denominated in foreign currencies shall notionally be converted into rupees at the rate at which an authorized dealer in foreign exchange in India on that date sells the appropriate foreign currency for remittance by immediate telegraphic transfer;

c) Thirdly, i) the surplus, if any, out of such moneys shall be paid to the person or persons entitled thereto.

ii) Any payment made to each of the Joint Mortgagees in accordance with the provisions of this Clause shall be in pro-tanto satisfaction of its respective Principal Debts under its relative Joint Securities, but as between such Joint Mortgagees and the Borrower, such Joint Mortgagees shall be entitled to enforce their rights under their relative Joint Securities against the Borrower.

iii) If any of the Joint Mortgagees shall receive any such money as aforesaid the same shall be forthwith placed and kept until required for appropriation hereunder in a separate bank account to be maintained for the purpose with a Scheduled Commercial Bank on proper terms as to interest and otherwise. Such Joint Mortgagee shall also submit to the other Joint Mortgagees at the end of every month, a statement of account with respect to the amount realized by it from the enforcement of the Joint Securities and its application. Such Joint mortgagees shall also submit to the other Joint Mortgagees every month, a report dealing with other important matters connected with or affecting the Joint Securities and the enforcement thereof or affecting the interest of the Joint Mortgagees.

iv) Notwithstanding anything herein contained, all moneys resulting from the enforcement of the Joint securities or any part thereof in relation to such part of the assets as are secured to the Borrower's Bankers, by way of hypothecation and/or pledge or any extensions, modifications, or renewals thereof to secure overdraft and/or cash credit and/or other facilities for working capital requirements as also all moneys received under any policy or policies of insurance in connection with such part of the assets will be exclusively applied in the first instance to the repayment of the moneys due to the Borrower's Bankers in respect of such hypothecation and/or pledge and/or any extensions, modifications or renewals thereof in accordance with their rights thereunder and the surplus, if any, will be appropriated in the manner provided in sub-clause (i) hereof.

v) The aforesaid provisions shall take effect between the Joint Mortgagees and the persons claiming through them and without prejudice to any rights they or any of them may have against the Borrower.

9. During the substance of the Joint Securities, all expenditure incurred by the Joint Mortgagees or any of them towards payment of insurance premia or in connection with preservation of the Mortgaged Premises shall be shared by the Joint Mortgagees on a Prorata basis. The amounts to be shared as such by each of the Joint Mortgagees shall bear to the total expenditure the same proportion which the outstanding amounts of the Principal Debts due to each of such Joint Mortgagees bears to the aggregate of the outstanding amounts of the Principal Debts due to all such Joint Mortgagees under the Joint Securities.

10. Save as aforesaid, the rights and powers available to the Joint Mortgagees under the Joint Securities shall not in any way be prejudiced or affected and shall remain and deemed to be in full force in virtue and effect.