

ITEM NO.:	TO CONSIDER AND SANCTION TERM LOAN OF ₹682.50 CRORE TO M/S DEF PRIVATE LIMITED TO TOWARDS TAKEOVER OF TERM LOAN OUTSTANDING OF 7 NOS. OF 221 MW BAGASSE BASED COGENERATIONS UNITS, LOCATED AT MULTIPLE LOCATIONS (6 IN KARNATAKA STATE & 1 IN MAHARASHTRA STATE) UNDER PROJECT FINANCING SCHEME FOR BIOMASS INCLUDING BAGASSE & INDUSTRIAL COGENERATION.	
Sl No	Parameter	Details
1.	Loan Amount	₹682.50 Cr.
2.	Loan Application No	3478
3.	Date of Registration	06.01.2025
4.	RE - Sector	Biomass including Bagasse & Industrial Cogeneration
5.	Name of the Applicant	DEF Private Limited
6.	CIN	U15424KA2020PLC142790
7.	LEI No.	335800HUTHH1KYG1LR40
8.	Location of the Project	Mudhol Karnataka(61 MW), Mygur Karnataka (51 MW), Kulgeri Cross Karnataka (35 MW), Kerakalamtti Karnataka (18 MW), Badami Karnataka (20 MW), Pandavpura Karnataka (16 MW), Patas Pune Maharashtra (20 MW)
9.	Promoter(s)/Sponsor(s)	Mr. Vijay, Mr. Ajay, Mr. Vishal
10.	Type of Funding/Scheme	Project Finance "Biomass including Bagasse & Industrial Cogeneration"
11.	Project Capacity	221 MW
12.	Total Project cost (₹ Cr.)	938.81
13.	Cost per MW	₹ 4.25 Cr.
14.	Overall Debt Facility (₹ Cr.)	682.50 (73% of the project cost)
15.	Total Debt from IBank(₹ Cr.)	682.50 (73% of the project cost)
16.	Debt Equity Ratio	73:27
17.	Promoter contribution (₹ Cr.)	256.51
18.	Equity Tie Up Details (In case of Equity through sale of assets, the asset details and valuation to be clearly defined with timelines to bring the same)	Not Applicable as projects are already commissioned
19.	Definitive Agreements signed for the promoter contribution through Quasi Equity/CCD/NCD /OCD/Unsecured loans with conditions thereon	Not Applicable
20.	Net-worth Details for individual promoter guarantors with date	Vishal: Net-Worth ₹632.88 Cr. as on 30.09.2024. Vijay : Net-Worth ₹653.84 Cr. as on 30.09.2024. Ajay : Net-Worth ₹453.18 Cr. as on 30.09.2024
21.	Net-worth Details for corporate guarantors with date	Not Applicable
22.	Loan Tenure (Months/Quarters)	39 Quarters (Equated)
23.	Loan from other Bank/FI	NIL



24.	Project COD as applicable	In-operation Since June 2008, Latest being December 2023		
25.	Days of Operation	100 days of net operation (comprising of 125 days of gross operation at 80% CUF)		
26.	Interest rate and Grade	10.65% p.a. for term loan (Internal Rating Grade-3 plus 0.5% due to 3 <sup>rd</sup> party (trading) PPA)		
27.	Land Details (Govt./Private, Area, Acquired)	Private land in 5 plants and leased unit for 2 plants Acquired (Private)		
28.	Approvals Obtained	All required approvals like Water Drawl, IEM, CTE, CTO etc. are in place and plants are operational		
29.	Agreements in Place	PPAs with Discoms/GMR Energy Trading/Tata Power Trading/Manikaran Power		
30.	Major Assumptions considered including Depreciation	Bagasse Recovery from Cane for cogen: 18.65% of cane crushed Operation days: 125 Days @80% CUF Depreciation: 5.28% p.a. (SLM), 10% salvage value Taxation: 25.17% (Effective Corporate Tax)		
31.	Envisaged Production expenditure	O&M: ₹22.10 Cr. p.a. with 2.5% annual escalation Bagasse Price (Opportunity cost): ₹500/MT. Both are subservient to loan repayment as the power and steam generated are being used in sugar production.		
32.	Disbursement Schedule	100% by June 2025		
33.	KYC Categorization	Categorized as 'AA'		
34.	Specific Environmental related approvals/MOEF for specific sectors & conditions incorporated in this regard & mitigations	Obtained for respective projects if and as applicable		
35.	Key Financial Indicators (Base Case)	DSCR: 1.30 (avg), 1.10 (Min.), IRR (Post Tax): 12.54%, NPV: ₹91.91 Cr., Pay Back Period: ~7 years, ACR: 1.38, BEP: 90.75%		
36.	Key Financial Indicators (Sensitivity Scenario):	Project Parameters	IRR (%)	DSCR (Avg.)
		Base Case	12.54%	1.30
		Capacity factor decrease by 10%	10.75%	1.18
		Increase in interest rate by 1%	12.56%	1.26
		All of the above cases	10.75%	1.14
		Tariff realization @ ₹3/Unit	5.27%	0.83
37.	Security Stipulations – Primary	<ul style="list-style-type: none"> <li>First charge/first pari passu charge on Land &amp; Buildings, Plant &amp; Machinery, other Fixed assets, present and future. The charge shall be created by way of mortgage of immovable assets/ hypothecation of movable assets or any other mode accepted/stipulated by BANK.</li> <li>Charge on TRA account.</li> </ul>		
38.	Security Stipulations – Secondary/Additional	<ul style="list-style-type: none"> <li>Personal guarantee of following promoters: <ul style="list-style-type: none"> <li>➤ Vishal : Net-Worth ₹632.88 Cr. as on 30.09.2024.</li> <li>➤ Vijay : Net-Worth ₹653.84 Cr. as on 30.09.2024.</li> <li>➤ Ajay : Net-Worth ₹453.18 Cr. as on 30.09.2024.</li> </ul> </li> </ul>		



	<ul style="list-style-type: none"><li>Interest rate reset shall be as per Bank policy, i.e., first interest rate reset shall be on commissioning or after one year from date of 1st disbursement, whichever is earlier. Thereafter every year interest rate will be reset.</li><li>The rate of interest will be the prevailing rate of interest at the time of each disbursement.</li></ul>	
Repayment Period	39 equated quarterly instalments	
Moratorium period	NIL	
Depreciation	5.28% Straight Line Method	
Taxation	25.17% (Effective Corporate Tax Rate)	
Revenue Projection	~₹152.14 Cr. p.a. , about 10% reduction 3 <sup>rd</sup> year onwards	
Cost Assumptions	Particular	Amount
	Raw Material Price (Opportunity cost)	₹500/MT
	O&M cost (2.5% annual escalation)	₹0.1 Cr./MW
Envisaged selling price	Electricity	₹5.18/Unit for next 2 years, ₹4.68/Unit Thereafter
Days of Operation	Net 100 Days (125 days operation @ 80% CUF)	
CUF/ Plant Availability	80%	

#### D. Important Financial Indicators of the Project:

Average DSCR (Debt – Service Coverage Ratio of project)	1.30
Minimum DSCR	1.10
Payback period	~7 Years
Project IRR & MIRR	12.54% & 11.36%
NPV	₹91.91 Cr.
Asset Coverage Ratio	1.38
Average cost of Electricity	₹3.35/ Unit
Break-Even Point	90.75%

#### E. Sensitivity Analysis

Project Parameters	IRR	DSCR (Avg)
Base Case	12.54%	1.30
Capacity factor decrease by 10%	10.75%	1.18
Increase in interest rate by 1%	12.56%	1.26
All of the above cases	10.75%	1.14
Tariff realization @ ₹3/Unit	5.27%	0.83

### 6. CIBIL & INTERNAL RATING

#### A. CIBIL Analysis

Applicant and Promoter Companies	
i.	DEF Limited (Applicant): No Overdue reported as borrower