



San Jose | Delhi NCR | Bengaluru

## **DEBT FUNDING REQUIREMENTS**

1. Good standing of borrower / borrower's entity
2. Business plan / DPR
3. **Loan amount: INR 250 Cr to INR 10,000 Cr (USD \$30 million to USD \$1+ billion)**
4. **Security/Collateral:**
  - a) Land for at-least twice the amount of loan sought
  - b) Industrial & commercial land only
  - c) Equity of listed company
5. **Required documents to include:**
  - a) Original land papers
  - b) Mother documents
  - c) "Legal opinion" for land
  - d) Encumbrance certificate for 30 years
  - e) Tax paid receipts
  - f) Land valuation by bank approved valuer
  - g) Possession certificate by village level officer
  - h) All pages of all papers to be notarized with seal
6. Tenure: Initial term of 5 years, enhanced to 5 more years
7. **Interest Cost**
  - a) **Interest is at 4% to 6% per annum, payable quarterly from Month 13**
  - b) **Hedging cost: One-time hedging cost of up-to 4-6 %**
8. **Repayment:**
  - a) Principal repayment from the end of Year 1
  - b) Quarterly payments
  - c) 2 defaults permitted but on third default security will be seized (missing 3 payments in a row will mean company is in terminal default)
9. Disbursement: 90 days after due diligence & securing all land & legal documents
10. **Due diligence Cost:**
  - a) All legal & due diligence related expenses including travel
  - b) Estimate of such expenses will be shared in term sheet