

# METRO WIND POWER LIMITED

7th Floor, Al-Tijarah Centre, 32-1-A, Block 6, P.E.C.H.S. Main Shakra-e-Faisal Road, Karachi-75400 – Pakistan  
Phone +92 21 34540270-73 Ext. 112 Fax +92 21 34540274

For information  
— DROI/DAFI mab.

F/A

L/NEPRA/L19/00006

— SA (Tech)

01 x 19

September 25<sup>th</sup>, 2019

— SA T-II

Chairman

To,

— DG (M & E)

VC

THE REGISTRAR,

— ADG (Lic) - LAC (M & E)

m (et)

m (Lic)

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY,

NEPRA Tower, Attaturk Avenue (East),

Sector G-5/1,

Islamabad,

Pakistan.

— MF

**Re: 'MODIFICATION PETITION' IN RESPECT OF THE TARIFF DETERMINATION DATED NOVEMBER 19, 2018 BEARING REFERENCE NO. NEPRA/TRF-429/MWPL-2017/17986-17988**

Dear Sir:

- Pursuant to the applicable laws of Pakistan, including the 'Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997' (the **NEPRA Act**) and the rules and regulations made thereunder (including rule 3 of the 'NEPRA Tariff Standard and Procedure Rules, 1998', **METRO WIND POWER LIMITED** (a company duly established and existing under the laws of Pakistan with its registered office located at 7<sup>th</sup> Floor, Al Tijarah Centre, 32-1-A, Block – 6, P.E.C.H.S, Main Shara-e-Faisal, Karachi, Pakistan) (the **Company**), submits to the **NATIONAL ELECTRIC POWER REGULATORY AUTHORITY** (the **Authority**), for the Authority's kind consideration and approval, the petition (together with the information and annexures attached thereto) to request modifications to the Authority's decision dated November 19, 2018 (Ref No. NEPRA/TRF-429/MWPL-2017/17986-17988) issued to the Company, based on the grounds set out in the modification petition (the **Modification Petition**).
- The Modification Petition (including its annexures) are submitted in triplicate, together with:
  - a Bank Draft/Pay Order No. **00375253** dated September 20<sup>th</sup>, 2019 amounting to PKR 1,066,128.00/- (Pakistani Rupees One Million, Sixty-Six Thousand, One-Hundred and Twenty-Eight Rupees Only) drawn in favour of the Authority, as the application fee for the Modification Petition;
  - board resolution of the Company; and
  - affidavit.

REGISTRAR  
CV. NO. 9250  
DATED: 01-10-18



Received alongwith two copies & Date No: 1,066,128/-

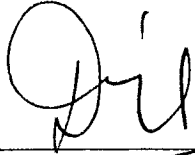
# **METRO WIND POWER LIMITED**

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3. In light of the submissions set out in the Modification Petition and the information attached to the same, the Authority is kindly requested to process the Modification Petition at the earliest, thereby enabling the Company to proceed further with meeting the objectives, as set out in the Modification Petition, critically dependent on the submissions set out in the Modification Petition.

Respectfully submitted,  
FOR AND ON BEHALF OF:

**METRO WIND POWER LIMITED**



**DANISH IQBAL**

C.E.O. & AUTHORIZED REPRESENTATIVE

*Annex A*

TARIFF MODIFICATION PETITION

**BEFORE**  
**THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)**

**MODIFICATION PETITION**

PURSUANT TO SECTION 31 OF REGULATION OF GENERATION, TRANSMISSION AND  
DISTRIBUTION OF ELECTRIC POWER ACT, 1997

READ WITH RULE 3 OF  
NEPRA (TARIFF STANDARD AND PROCEDURE) RULES, 1998

BY

**METRO WIND POWER LIMITED**

BEFORE **NEPRA** IN THE MATTER OF TARIFF DETERMINATION FOR  
**METRO WIND POWER LIMITED**

A POWER PROJECT OF 60 MW

AT

JHIMPIR, SINDH, PAKISTAN

DATED: September 25<sup>th</sup>, 2019

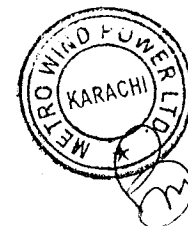
**METRO WIND POWER LIMITED**

ADDRESS: 7th Floor, Al-Tijarah Centre, 32-1-A, Block 6, P.E.C.H.S. Main Shahra-e-Faisal Road, Karachi-75400 – Pakistan

PHONE #: +92 21 34540270-73 Ext. 112

FAX #: +92 21 34540274

EMAIL: [info@metrowindpower.com](mailto:info@metrowindpower.com)




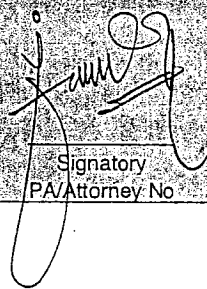
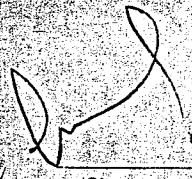
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**COPY OF BANK DRAFT/PAY ORDER**

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FIA-1

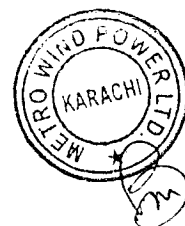
9/20/2019 Only Account Payee Only	NOT OVER PKR ****1,066,128.00	<b>samba</b>  <b>سالمبا</b>	P.O. No. <b>00375253</b> 375253												
	Samba Bank Limited KCHS Sharah-e-Faisal, Karachi 0007		Stationery/Ref No. FT19263STJ5F												
Pay to	NATIONAL ELECTRIC POWER REGULATORY AUTHORITY ISLAMABAO A/C METRO WIND POWER LTO	Or Order	<table border="1"><tr><td>D</td><td>2</td><td>D</td><td>0</td><td>M</td><td>0</td><td>M</td><td>9</td><td>Y</td><td>1</td><td>Y</td><td>9</td></tr></table>	D	2	D	0	M	0	M	9	Y	1	Y	9
D	2	D	0	M	0	M	9	Y	1	Y	9				
Rupees	ONE MILLION SIXTY SIX THOUSAND ONE HUNDRED TWENTY EIGHT ONLY		PKR ****1,066,128.00**												
PAYABLE AT ANY BRANCH OF SAMBA BANK LTD. PAKISTAN			 Signatory PA/Attorney No												
Please do not write below this line. (Valid for six months from the date of issue)			 Signatory PA/Attorney No												

⑈00375253⑈0289999⑈000000000000000000⑈020⑈

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**COPY OF BOARD RESOLUTION**

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F/A-2

## **METRO WIND POWER LIMITED**

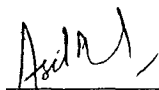
7th Floor, Al-Tijarah Centre, 32-1-A, Block 6, P.E.C.H.S. Main Shahra-e-Faisal Road, Karachi-75400 – Pakistan  
Phone +92 21 34540270-73 Ext. 112 Fax +92 21 34540274

**CERTIFIED EXTRACT OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS  
OF M/S. METRO WIND POWER LIMITED HELD ON MONDAY SEPTEMBER 23, 2019 AT  
10:30 A.M. AT 7TH FLOOR, AL-TIJARAH CENTRE, 32-1-A, BLOCK 6, PECHS, MAIN  
SHARAE FAISAL, KARACHI.**

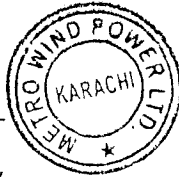
**RESOLVED** that M/s. Metro Wind Power Limited (the “Company”) be and is hereby authorized to file an application/petition for modification before the National Electric Power Regulatory Authority (the “Authority”) in relation to the Authority’s determination dated November 19, 2018 bearing reference no. NEPRA/TRF-429/MWPL-2017/17986-17988 in respect of the tariff petition filed by the Company dated December 13, 2017, bearing reference No. NEPRA/TRF-429/MWPL-2017.

**FURTHER RESOLVED** that Mr. Danish Iqbal, Chief Executive Officer of the Company, Mr. Saad Iqbal, Director of the Company, Mr. Asif Ahmad, Company Secretary of the Company and Mr. Suleman Modi, Attorney of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds, things and take any and all necessary steps and actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions for and on behalf of the Company, including but not limited to appearing before the Authority, making further submissions to the Authority, etc..

Certified True Copy issued on September 23, 2019.



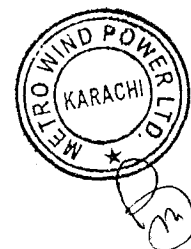
Asif Ahmad  
Company Secretary



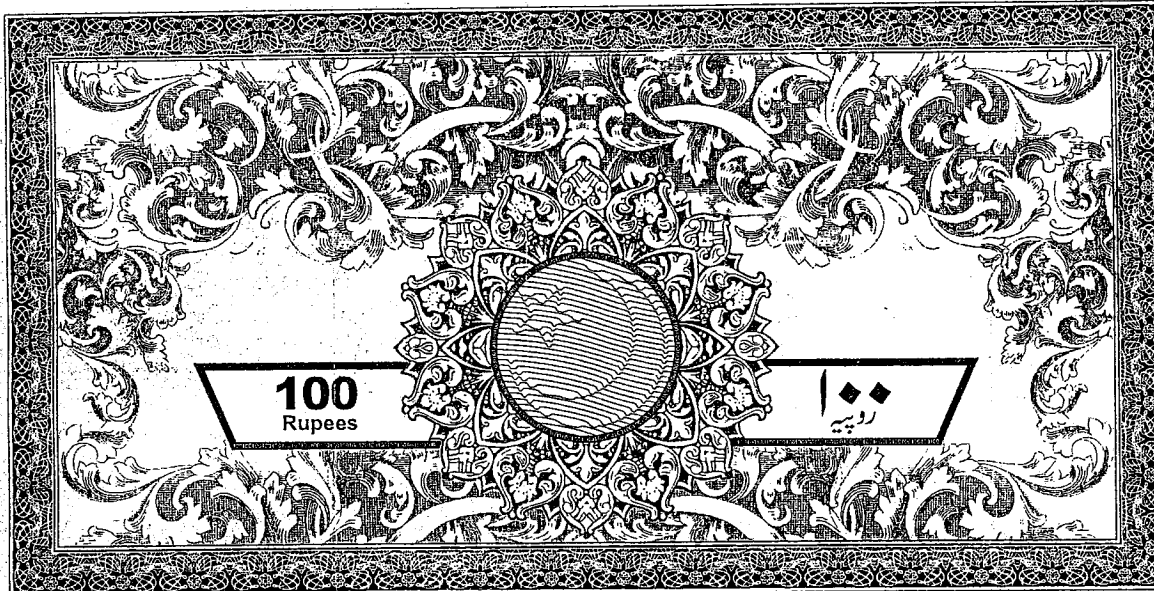
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**COPY OF AFFIDAVIT**

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ZAFAR ULLAHA KHAN Stamp Vendor  
 Licence No 99 Shop No. 412 24 SEP 2019  
 4th Floor, Tahir Plaza, near City Court Karachi  
 SNO. 1377 DATE  
 ISSUED TO WITH ADDRESS Mohammad Ahmed  
 THROUGH WITH ADDRESS ADVOCATE  
 PURPOSE  
 VALUE RS. 100  
 STAMP VENDOR SIGNATURE  
 NOT USE FOR FREE WILL & DIVORCE PURPOSE

FLA-3


BEFORE  
 THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

#### AFFIDAVIT

AFFIDAVIT of MR. DANISH IQBAL S/O IQBAL ALIMOHAMED CNIC NO. 42201-4584613-1, CHIEF EXECUTIVE OFFICER and authorized representative of M/s. METRO WIND POWER LIMITED, 36-F, BLOCK-6, P.E.C.H.S., KARACHI, PAKISTAN (the "Company").

I, the above-named Deponent, do hereby solemnly affirm and declare that:

1. I am the Chief Executive Officer of the Company.
2. The contents of the accompanying application/petition for modification, by the full strength of the Authority under Rule 3(1) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998, including all supporting documents are true and correct to the best of my knowledge and belief, and nothing material or relevant thereto has been concealed or withheld therefrom.
3. I also affirm that all further documentation and information to be provided by the Company in connection with the aforesaid application/petition for modification shall be true and correct to the best of my knowledge and belief.

  
 DEPONENT

#### VERIFICATION

It is hereby verified on solemn affirmation at Karachi on September 24th, 2019, that the contents of the above Affidavit are true and correct to the best of my knowledge and belief, and that nothing material or relevant thereto has been concealed or withheld therefrom.


  
 DEPONENT

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## 1. DETAILS OF THE PETITIONER

### NAME AND ADDRESS

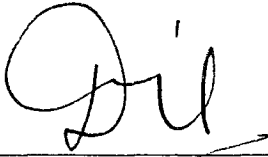
**METRO WIND POWER LIMITED**

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Fax #: +92 21 34540274

### REPRESENTATIVES OF METRO WIND POWER LIMITED



**DANISH IQBAL**

**CHIEF EXECUTIVE OFFICER**

## DETAILS OF THE PETITIONER

METRO WIND POWER LIMITED (THE "PETITIONER") HEREBY APPLIES UNDER SECTION 31 OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 READ WITH RULE 3 OF NEPRA TARIFF STANDARD AND PROCEDURE RULES, 1998 AND ALL APPLICABLE PROVISIONS OF OTHER NEPRA LAWS FOR THE MODIFICATION OF THE AUTHORITY'S DECISION DATED 19<sup>TH</sup> NOVEMBER 2018 (Ref No: NEPRA/TRF-429/MWPL-2017/17986-17988) (THE "TARIFF DETERMINATION") IN RESPECT OF ITS 60 MW WIND POWER PROJECT LOCATED AT JHIMPIR, SINDH, PAKISTAN (THE "PROJECT").



2. GROUND S FOR MODIFICATION PETITION

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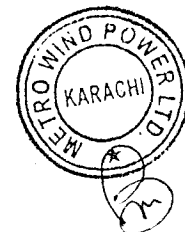
*Background Information*

METRO WIND POWER LIMITED ("MWPL" or the "Project Company"), vide its letter dated December 13, 2017 filed a tariff petition for Cost Plus Tariff Determination before the National Electric Power Regulatory Authority (the "Authority").

The Tariff Determination was announced by the Authority on November 19, 2018 (Vide Letter Ref No: NEPRA/TRF-429/MWPL/2017/17986-17988).

The Tariff Determination by the Authority is based on certain assumptions which the Petitioner requests the Authority to reconsider, modify and update in light of the prevailing circumstances, as detailed in the following paras.

This Modification Petition is being filed by Mr. Danish Iqbal, Chief Executive Officer of MWPL, for an on behalf of MWPL, who is well conversant with the facts of the case and is duly authorized by the Board of Directors of MWPL (the "Board") to submit the same before the Authority. Certified true copy of the resolution of the Board, authorizing Mr. Danish Iqbal to, *inter alia*, submit this application is attached hereto along with an affidavit.



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**GROUND FOR MODIFICATION PETITION**

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**(A) Debt Financing Mix and Repayment Term**

The Authority in the Tariff Determination determined the tariff based on 100% financing under the Revised SBP Financing Scheme for Renewable Energy (IH&SMEFD Circular No. 03 of 2016) dated June 20, 2016 (the "SBP Scheme 2016") at a fixed rate of 6%. The Authority also provided in its determination that in case the Petitioner is not able to secure financing under SBP Scheme 2016, then conventional debt with 13 years repayment term will be allowed at rate of 3 Month LIBOR plus 4.25% for foreign debt and 3 Month KIBOR plus 2.25% for local debt.

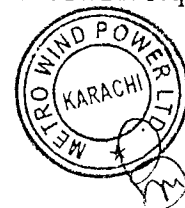
In the tariff petition, the Petitioner requested for a tariff determination based on 100% foreign debt. However, the reference tariff in the Tariff Determination is based on the assumption that the Project Company will avail 100% local financing under the concessionary rates offered in the SBP Scheme 2016. The Tariff Determination recognizes that there may be circumstances where the Project Company is unable to obtain 100% of its debt requirement under the SBP Scheme 2016 and in such case, provides for an adjustment of the reference tariff on conventional local/foreign financing at the time of Commercial Operations Date ("COD"), subject to submission of evidence to the Authority that the Project Company has exhausted the option of availing financing under the SBP Scheme 2016 before taking on partial or full conventional loans.

The Authority issued the Tariff Determination based on 100% financing to be arranged under the SBP Scheme 2016, which is only available for projects of up to 50MW capacity. The Authority acknowledged that the MWPL project capacity is 60 MW, which is higher than the limit specified in the aforesaid SBP Scheme 2016. It is highlighted that the SBP Scheme 2016 expired on June 30, 2019, however the same has been renewed/extended by the SBP through IH&SMEFD Circular No. 10 of 2019 dated July 26, 2019 (the "SBP Scheme 2019"). The SBP Scheme 2019 is also not available for projects greater than 50 MW capacity, and therefore the SBP Scheme 2019 is not available for MWPL's Project either.

MWPL further approached to avail financing under the Islamic Financing Facility for Renewable Energy IH & SMEFD Circular No. 01 of 2019 dated 22 February 2019 (the "SBP Islamic Financing Scheme") issued by the State Bank of Pakistan ("SBP"). However, as per discussions held with State Bank of Pakistan, the said SBP Islamic Financing Scheme is only applicable for a project with a maximum capacity of 50 MW whereas the project with a capacity of more than 50 MW does not qualify for SBP Islamic Financing Scheme. MWPL is a 60 MW project, therefore does not qualify for the SBP Islamic Financing Scheme. (letter attached at **Annexure-E**)

Accordingly, MWPL has arranged the entire debt financing required for the Project in foreign currency from the International Finance Corporation ("IFC") (Terms Sheet attached at **Annexure A**) with debt repayment term of 13 years, as required by the Authority in the Tariff Determination.

Accordingly, since 100% of the financing is being provided by foreign lenders (i.e., IFC), IFC has requested MWPL to seek adjustment of the Tariff Determination from the Authority before financial close, to the extent of the points above, acknowledging and reflecting the financing structure based on foreign debt service in the reference tariff determination. MWPL requests



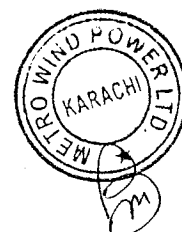
the Authority to consider the same and issue a duly updated tariff determination with adjusted debt components and related changes to project costs to account for 100% foreign financing being provided by IFC.

In this regard, IFC had also met the Authority on April 04, 2019 for the same request and submitted its formal request to the Authority vide IFC's letter dated April 25, 2019 (attached at Annexure B).

Furthermore, the lenders also require that the reference tariff table should reflect the repayment schedule and respective tariff components of foreign financing with their applicable repayment term.

Based on the above, the Authority is requested to revise its Tariff Determination and reference tariff table to reflect the 100% foreign financing being availed by MWPL instead of 100% financing under the SBP Scheme 2016 (or the SBP Scheme 2019) (both of which are unavailable for MWPL's Project) in the following manner:

Foreign Debt	(100% of the total debt requirement)
Financing Rate	3M LIBOR plus 4.25%
Repayment Term	13 years after COD on quarterly basis



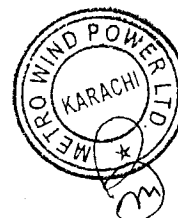
**(B) Reference Exchange Rate**

The Tariff Determination and the reference tariff table is based on the USD/PKR exchange rate of PKR 120 and assumes no foreign debt components. The Authority would appreciate that the current prevailing exchange rate is PKR 160 to USD 1 and is further expected to increase by the time the Project achieves COD.

We would like to emphasize that due to: (a) the unprecedented devaluation of the PKR, (b) the extremely competitive tariff awarded to the Project, (c) the high debt to equity ratio (only 20% equity which does not permit the equity component to bridge the funding gap caused by devaluation), and (d) payment delays from the power purchaser, MWPL will face extreme hardship in payment of its USD financing obligations immediately upon achievement of COD, until the tariff true-up determination is issued by the Authority, which as per precedent is expected to take considerable time.

As the Authority would be aware the invoices are made in PKR as per the tariff determination, IFC as foreign lender to the Project, in its letter to the Authority (attached as **Annexure B**), and during its meeting with the Authority, also requested the Authority to revise the reference exchange rate so that it is reflective of the prevailing market exchange rate.

**The Authority is requested to modify the Tariff Determination and the tariff table based on most recent exchange rate of USD conversion to PKR (PKR 160 to USD 1).**



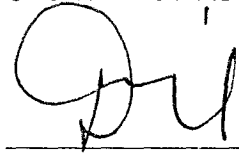
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## **PRAYER**

In light of the foregoing, it is respectfully prayed that the Tariff Determination and the Order provided therein may please be modified to reflect the changes in tariff assumptions pertaining to debt financing and exchange rate. The revised debt servicing schedules (Foreign Debt) and tariff table are annexed at Annexure C, a statement of comparison under Rule 3(2)(d) of NEPRA (Tariff Standards and Procedure) Rules, 1998 is attached as Annexure D. It is respectfully prayed that the learned Authority may declare and notify the changes necessitated in the Tariff Determination upon acceptance of the proposals specified herein above.

MWPL further reserves its right to adduce further and additional information.

For and on behalf of  
**Metro Wind Power Limited**



**DANISH IQBAL**  
Chief Executive Officer

Dated: 25<sup>th</sup> September 2019





ANNEXURE-A

BF:  
Pg insert Copy of  
signed MWPL  
Term Sheet



SHEARMAN & STERLING LLP

6 Battery Road, #25-03  
Singapore 049909  
+65.6230.3800

wmccormack@shearman.com  
(65) 6230 3877

16<sup>th</sup> Sep 2019

National Electric Power Regulatory Authority  
("NEPRA")

Dear Sirs

Metro Wind Project - Tariff Petition - Financing Term Sheet

We are instructed to act for International Finance Corporation ("IFC"), for its own account and as Implementing Entity for the Managed Co-Lending Portfolio Program ("MCP"), DEG - Deutsche Investitions - und Entwicklungsgesellschaft mbH ("DEG"), (IFC and DEG together, the "Financiers") in relation to the financing of the 60MW wind power project developed by Metro Wind Power Limited (the "Company") to be located in Jhimpir, Sindh Province, Pakistan (the "Metro Wind Project").

We attach a term sheet reflecting the proposed terms of the financing for the Metro Wind Project. The Financiers confirm that they have obtained initial concept clearance to provide project financing to the Company for the Metro Wind Project on the basis of this term sheet. The term sheet and the provision of the financing remain subject to each of the Financiers obtaining board and management approval and completing their due diligence on the Metro Wind Project, including legal, technical, environmental and financial due diligence.

This letter is provided to you to assist the Company in obtaining approval of its revised Tariff Determination request. It is not legally binding and the Financiers make no representation regarding the Metro Wind Project or their participation therein. This letter does not indicate (and should not be construed as indicating) that the Financiers are committed to provide financing to the Company or the Metro Wind Project, nor the terms of any such financing.

Yours sincerely

Shearman & Sterling LLP

Shearman & Sterling LLP

Attachment

SHEARMAN.COM

Shearman & Sterling LLP is a limited liability partnership organized in the United States under the laws of the state of Delaware, which laws limit the personal liability of partners.

**METRO WIND POWER PROJECT: INDICATIVE TERM SHEET  
FOR THE PROPOSED FINANCING OF THE 60 MW WIND POWER PROJECT  
TO BE LOCATED IN JHIMPIR, SINDH PROVINCE, PAKISTAN**

*This Term Sheet is a summary of the principal terms that may apply to the proposed financing of the Project. It is intended to serve as a basis for discussion only.*

*This Term Sheet does not constitute an offer or a commitment by the Financiers. Each Financier's decision to invest in the Project is contingent upon approval by its management, credit committee and/or Board of Directors, satisfactory completion of the Financiers' legal, technical, insurance, environmental financial and general appraisal and due diligence and execution of final documentation in form and substance satisfactory to all Financiers.*

1. Borrower Metro Wind Power Limited (the "**Borrower**").
2. Sponsors Mr. Iqbal Alimohamed, Mr. Danish Iqbal, Mr. Saad Iqbal, and Ms. Natasha Iqbal (the "**Sponsors**")
3. Shareholders As at the date of Financial Closing:
  - a) Mr. Iqbal Alimohamed – 18%;
  - b) Mr. Danish Iqbal – 33%;
  - c) Mr. Saad Iqbal – 24.5%; and
  - d) Ms. Natasha Iqbal – 24.5%.
4. Guarantors Equity Guarantors: the Sponsors on a joint and several basis with respect to any financial obligations, and on several basis with respect to any other obligations.  
EPC Guarantor: Power Construction Corporation of China Limited.  
O&M Guarantor: Power Construction Corporation of China Limited.
5. EPC Contractor Hangzhou Huachen Electric Power Control Co., Limited as Supplier and Hydrochina International Engineering Company Limited Pakistan as EPC Contractor
6. Financiers International Finance Corporation ("**IFC**"), for its own account and as Implementing Entity for the Managed Co-Lending Portfolio Program ("**MCP**"), and DEG - Deutsche Investitions - und Entwicklungsgesellschaft mbH ("**DEG**").
7. O&M Operator Hydrochina International Engineering Company Limited Pakistan.

8. **Project** The development, financing, design, engineering, procurement, manufacture, construction, permitting, completion, testing, commissioning, insurance, operation and maintenance of a 60 MW wind power project to be located in Jhimpir, Sindh Province, Pakistan (the “**Project**”).

9.

<i>Facilities</i>		
<b>Financier</b>	<b>Indicative Commitment (assuming Project Cost of US\$73.9)</b>	<b>Margin<sup>1</sup></b>
IFC	Up to US\$48.8 million by way of a term loan facility (the “ <b>IFC Facility</b> ”) comprising of: <ul style="list-style-type: none"><li>• IFC A Loan of up to US\$20.6 million; and</li><li>• MCPP Loan of up to US\$28.2 million<sup>5</sup></li></ul>	3-month LIBOR + 425 bps 3-month LIBOR + 425 bps
DEG	Up to US\$11.8 million by way of a term loan facility (the “ <b>DEG Facility</b> ”)	3-month LIBOR + 425 bps

10. **Purpose of Facilities** To finance up to 80%<sup>2</sup> (where [80:20]<sup>3</sup> shall be the “**Project Debt to Equity Ratio**”) of the Project Cost to develop and construct the Project in accordance with a budget and financial model (“**Financial Model**”), as approved by the Financiers and resulting from the due diligence process on, inter alia, investment costs, tariff, energy generation, operation costs, maintenance capex requirements showing the banking base case agreed by the Financiers (the “**Base Case**”) to finance up to 80% of the Project Costs (where 80:20 shall be the “**NEPRA Debt to Equity Ratio**”) that are recoverable through the tariff mechanism approved by NEPRA from time to time.

11. **Working Capital Facility** A revolving working capital facility of up to PKR equivalent of US\$4.5 million (assuming Project Cost of US\$73.9) shall be provided by Meezan Bank Limited as working capital lender in accordance with agreed terms (“**Working Capital Facility**”) where the provider of such Working Capital Facility shall benefit from a second-ranking security over the Borrower’s assets which is subordinated to the security of the Financiers.

<sup>1</sup> Financiers require that the NEPRA approval reflects the spread (and fees, if any) agreed with the Financiers prior to their first disbursement.

<sup>2</sup> Subject to Financiers’ financial model review.

<sup>3</sup> Subject to Financiers’ financial model review and overall due diligence.

12. Principal Repayment
 

Repayment of the Facilities will start on the Interest Payment Date falling on or immediately following the earlier of the date occurring: (i) 3 months after the Commercial Operation Date (as defined under the EPA), and (ii) 27 months (grace period) after signing of the common terms agreement between the Borrower and the Financiers (the "**Common Terms Agreement**"). Subsequent principal repayments will be made on each subsequently occurring Interest Payment Date thereafter.

Principal repayment shall be made in accordance with a schedule of up to 52 quarterly repayments reflecting a mortgage-style repayment profile consistent with the Repayment Schedule attached as Annex A.

The door-to-door tenor shall not exceed 15.25 years from the signing of the Common Terms Agreement until the final repayment (the "**Foreign Final Maturity Date**").
13. Fees
 

Front-end fee: 1% of the amount of the IFC Facility and the DEG Facility, to be paid no later than the earlier of:

  - (i) 30 days after signing of the Common Terms Agreement; and
  - (ii) the date of issuance of the disbursement request for the first disbursement.

Commitment Fee: 0.5% per annum, computed on the basis of the actual number of days elapsed and a year of 360 days, on the undisbursed amount of the Facilities, to be paid quarterly in arrears on each interest payment date and commencing to accrue upon signing of the Common Terms Agreement.

Portfolio Supervision Fee: of US\$10,000 per annum for expenses which are incurred by IFC for its portfolio supervision activities.

Other fees as set out in any relevant fee letter(s).
14. Interest Payment Dates
 

Quarterly<sup>4</sup> in each year.
15. Default Rate
 

2% per annum above the applicable interest rate.
16. Debt-to-Equity Ratio
 

No higher than 80:20 subject to results of financial model and approval by NEPRA of Project Costs to be financed.
17. Debt Service Reserve Account ("**DSRA**") and Major Maintenance Reserve Account ("**MMRA**")
 

An offshore (US\$) debt service reserve account shall be established by the Borrower with the relevant Account Bank. The minimum required balance of each such account shall be sized to cover an amount equal to the highest amount of principal repayment and interest under the applicable facility indicated in the financial model for any consecutive 6-month period.

<sup>4</sup> Dates to be discussed. Subject to confirmation of EPA base rate benchmark.

Major maintenance reserve account to be established in accordance with Financiers' (and EPA) requirements.<sup>5</sup>

18. Sponsor Support

The portion of the Project Cost which is not funded by the Facilities shall be funded by the Sponsors in the form of common equity ("**Base Equity**").

In addition to the Base Equity and the obligation to fill up the DSRA, the Sponsors will undertake to provide to the Borrower additional funds / Standby Letter of Credit ("**Contingent Equity**") in a maximum aggregate amount to be agreed for the purpose of funding any Deficiency (defined below).

The indicative amount of Sponsors' equity commitments is as follows:

- US\$[17.1] million of Base Equity, to be funded by Mr. Iqbal Alimohamed of up to US\$[3.1] million; by Mr. Danish Iqbal of up to US\$[5.6] million; by Mr. Saad Iqbal of up to US\$[4.2] million; and by Ms. Natasha Iqbal of up to US\$[4.2] million.
- US\$[4.9] million of Contingent Equity, to be funded by Mr. Iqbal Alimohamed of up to US\$[0.9] million; by Mr. Danish Iqbal of up to US\$[1.6] million; by Mr. Saad Iqbal of up to US\$[1.2] million; and by Ms. Natasha Iqbal of up to US\$[1.2] million.

**Deficiency:** Following full utilisation of the Base Equity, any shortfall of funds needed by the Borrower (as determined by the Borrower or the Financiers) for purposes of the Project achieving the applicable project completion date (other than the requirement to fund the initial minimum DSRA required balance), as further detailed in documentation.

**Excess Debt:** Following the determination or "true-up" by NEPRA of the final tariff for the Project, the Financiers may require the Sponsors to prepay any amounts outstanding under the Facilities in excess of the debt amount that is ultimately approved by NEPRA in determining the trued-up tariff after the Commercial Operation Date (as defined under the EPA) as such debt amount may be reduced by payments made or invoiced on account of the reference debt service component of the tariff ("**Excess Debt**") to the extent the Borrower fails to fully prepay the Excess Debt as allowed under the Financing Documents.

19. Share Retention

For so long as any part of the Facilities is outstanding or any amount is available for disbursement under the Financing Documents, the Sponsors shall be subject to share retention undertakings in respect of the shares the Borrower.

The Financiers' share pledge shall at all times be in respect of 100% of the shares in the Borrower, and any permitted transfer of the pledged shares shall be subject to the share pledge.

20. Other Payments

Borrower to pay or reimburse the Financiers in respect of:

---

<sup>5</sup> Requirement for major maintenance reserve account subject to due diligence, including Financiers' Technical Advisor input. If required, minimum required balance to be agreed.

- (i) increased costs resulting from a change of law or regulations;
- (ii) unwinding/breakage costs, i.e., any cost or loss in unwinding funding arrangements resulting from prepaying the Facilities or from failing to borrow or prepay in accordance with a request for disbursement or notice of prepayment;
- (iii) withholding taxes, if any (tax gross-up);
- (iv) all taxes (including stamp taxes) or other charges payable on any of the Financing Documents;
- (v) legal fees and expenses relating to (A) the preparation, execution, implementation, administration and enforcement of the Transaction Documents, (B) the protection of Financiers' interests under the Financing Documents and (C) the release of the Security after repayment of the Facilities;
- (vi) the fees described in item 12 above;
- (vii) amounts (to be agreed with the Borrower at the time) to compensate the Financiers for additional work required in connection with any restructuring; and
- (viii) any other expenses/fees incurred for the processing of waivers and amendments and/or fees for technical, environmental, social and other consultants, the scope of work for whom shall (in the absence of an event of default or potential event of default or an event likely to result in a material adverse effect) be agreed with the Borrower, such agreement not to be unreasonably withheld.

In addition to the above, the Borrower shall pay and reimburse to each of the Financiers the fees and expenses payable by the Borrower in accordance with the respective mandate letters signed between the Borrower and each Financier.

- |  |  |
|--|--|
| 21. Voluntary Prepayment   | The Facilities are prepayable upon 30 days' notice, subject to terms and conditions to be agreed.  |
| 22. Mandatory Prepayment   | The Financing Documents will include customary mandatory prepayment provisions.  |
| 23. Representations and warranties;<br>Conditions of Disbursement;<br>Covenants; Events of Default | Customary and appropriate for the Borrower and the Sponsors, reflecting the Financiers' respective policies and requirements and subject to certain customary exceptions (relating to materiality and actual knowledge) and legal qualifications to be agreed in the documentation.  |
| 24. Security   | The obligations of the Borrower under the Financing Documents will be secured by a first ranking security interest in favour of the Financiers over, inter alia: (i) all tangible and intangible assets of the Borrower (other than any distribution and/or restricted payment accounts, receivables, inventories, etc.); (ii) all Project documents and concessions, including the Project site lease and, to the extent permitted under the relevant laws, all licences, |

consents, permits, etc. associated with the Project and any related performance/warranty bonds; (iii) any letters of credit provided by the Sponsors; (iv) all shares in the Borrower and its subordinated loans; (v) insurance and reinsurance policies; (vi) direct agreements or acknowledgments and consents with the counterparties to the Project documents; and (vii) other forms of security permitted by applicable country laws and appropriate for the Project.

25. Governing Law

English Law (e.g. Common Terms Agreement, IFC Facility Agreement, DEG Facility Agreement, Accounts Agreement, Sponsor Support Agreement and Intercréditor Agreement) and/or Pakistan Law (e.g. certain Security Documents and the Working Capital Facility documentation), as appropriate.



[Please note that Annex A reflects mortgage repayment schedules that the repayments should be based on. The second and final repayment % for the IFC and DEG Facilities may be adjusted depending on which date the first repayment falls on (see section 11 (*Principal Repayment*) above).]

**ANNEX A: REPAYMENT SCHEDULE**

First Repayment Date	1.21%
Second Repayment Date	1.23%
Third Repayment Date	1.26%
Fourth Repayment Date	1.28%
Fifth Repayment Date	1.30%
Sixth Repayment Date	1.32%
Seventh Repayment Date	1.34%
Eighth Repayment Date	1.37%
Ninth Repayment Date	1.39%
Tenth Repayment Date	1.41%
Eleventh Repayment Date	1.44%
Twelfth Repayment Date	1.46%
Thirteenth Repayment Date	1.48%
Fourteenth Repayment Date	1.51%
Fifteenth Repayment Date	1.54%
Sixteenth Repayment Date	1.56%
Seventeenth Repayment Date	1.59%
Eighteenth Repayment Date	1.62%
Nineteenth Repayment Date	1.64%
Twentieth Repayment Date	1.67%
Twenty-first Repayment Date	1.70%
Twenty-second Repayment Date	1.73%
Twenty-third Repayment Date	1.76%
Twenty-fourth Repayment Date	1.79%
Twenty-fifth Repayment Date	1.82%
Twenty-sixth Repayment Date	1.85%
Twenty-seventh Repayment Date	1.88%
Twenty-eighth Repayment Date	1.91%
Twenty-ninth Repayment Date	1.94%
Thirtieth Repayment Date	1.98%
Thirty-first Repayment Date	2.01%
Thirty-second Repayment Date	2.04%
Thirty-third Repayment Date	2.08%
Thirty-fourth Repayment Date	2.11%
Thirty-fifth Repayment Date	2.15%
Thirty-sixth Repayment Date	2.19%
Thirty-seventh Repayment Date	2.22%
Thirty-eighth Repayment Date	2.26%
Thirty-ninth Repayment Date	2.30%

Fortieth Repayment Date	2.34%
Forty-first Repayment Date	2.38%
Forty-second Repayment Date	2.42%
Forty-third Repayment Date	2.46%
Forty-fourth Repayment Date	2.50%
Forty-fifth Repayment Date	2.54%
Forty-sixth Repayment Date	2.59%
Forty-seventh Repayment Date	2.63%
Forty-eighth Repayment Date	2.67%
Forty-ninth Repayment Date	2.72%
Fiftieth Repayment Date	2.77%
Fifty-first Repayment Date	2.81%
Fifty-second Repayment Date	2.83%

**ANNEXURE-B**



**IFC****International  
Finance Corporation**  
WORLD BANK GROUPApril 25<sup>th</sup>, 2019

Mr. Saif Ullah Chattha  
Member, National Electric Power Regulatory Authority

Mr. Syed Insaf Ahmed  
Senior Advisor

Mr. Ali Feroz Khan  
Dy Director

NEPRA Tower Attaturk Avenue (East)  
Sector G-5/1, Islamabad  
Islamabad, Pakistan

Dear Sirs,

**Subject: Clarifications in respect of the Wind Power Projects**

Thank you for meeting with us on 4 April 2019 at the offices of the National Electric Power Regulatory Authority ("NEPRA").

As discussed, International Finance Corporation ("IFC") are considering investments in six wind power projects (the "Projects") to be constructed by various independent power producers, and for which tariff determinations have been issued (the "Tariff Determinations").

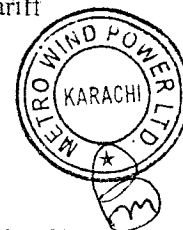
The Tariff Determinations however raise a number of concerns in the context of the IFC proposed financing. Amongst others, the Tariff Determinations:

- Assume that all financing of the Projects will be denominated in PKR, subject to a 6% interest rate with a repayment period of ten (10) years.
- Assume an initial PKR/US\$ exchange rate of 120 until true-up.
- Provide for the actual financing mix to be reflected only upon true-up after COD.

The Projects will have a mix of US\$ and PKR financing in each case. If the tariff is not adjusted to reflect this and the terms of the US\$ financing to be provided by IFC until post-COD, it is a material divergence from precedents. Importantly, such assumptions will result in foreign lenders assuming risks typically not allocated to lenders pre-COD, the nature of which raise fundamental bankability issues for IFC.

We discussed these concerns during our meeting. We are extremely encouraged by our discussions with you that NEPRA recognizes these concerns and have proposed that the Projects file a tariff modification petition on the following basis:

- (i) To be submitted once the term sheet is finalized and before Financial Close.



(ii) Each petition to be accompanied by supporting documents evidencing the inapplicability of the SBP Scheme or the inability of the Project to obtain financing thereunder, along with the term sheet(s); and

(iii) A request for an updated PKR/US\$ exchange rate that reflects the prevailing exchange rate.

A determination issued by NEPRA upon a modification petition would indicate the reference tariff table based on the foreign debt financing as outlined in the term sheet submitted with the petition, reflecting the actual tenor agreed by the Project with the foreign financiers and the standard indexations as awarded to the Project based on foreign debt, including adjustments on account of exchange rate fluctuations and LIBOR. Such reference tariff table would form part of the EPA at Financial Close.

On a separate but related point, we ask for NEPRA's support and assistance in facilitating certain changes that CPPA-G need to initiate to the Commercial Code, 2015 (the "Code") to extend the benefits of the "savings provision" of the Code to the Projects<sup>1</sup>. In view of NEPRA's role as regulator of the country's power sector, your support and approval to the amendments that need to be effected to the Code by CPPA-G will be key in ensuring that fundamental mismatches between the Code and the bilateral EPA to be entered into by the Projects are addressed, so as to ensure the financeability of these Projects.

We extend our sincere gratitude to NEPRA for understanding our concerns and giving us the platform to present our case in person. We would welcome your acknowledgement of the above.

We look forward to working with NEPRA and the relevant stakeholders to develop a bankable set of documents which takes into account the evolving nature of the power sector and balances the interest of all participants for the success of these Projects.

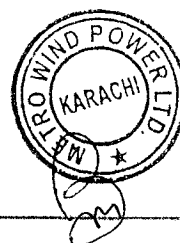
Yours sincerely,



Nadeem Siddiqui  
Senior Manager  
International Finance Corporation  
Islamabad, Pakistan

CC:  
CEO, Central Power Purchasing Agency (Guarantee) Limited  
CEO, Alternative Energy Development Board

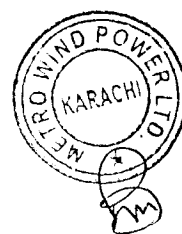
<sup>1</sup> Certain changes to the Code effected by NEPRA pursuant to its order dated 16 November 2018 provide, inter alia, that all payment(s) to be made by CPPA-G to the relevant Projects shall be contingent upon payments being received from the relevant distribution companies and therefore any delay or failure in payment by the relevant distribution company would adversely affect the payments to be made by CPPA-G under the energy purchase agreement to be entered into with the Projects.



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**ANNEXURE-C**

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## Annexure - C

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**Metro Wind Power Limited**  
**Revised Tariff Table**

Year	O&M Local	O&M foreign	Insurance	ROF	ROEDC	Foreign Debt Repayment	Local Debt Repayment	Tariff PKR/kWh	Tariff US Cents/kWh
1	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
2	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
3	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
4	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
5	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
6	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
7	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
8	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
9	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
10	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
11	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
12	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
13	0.5528	0.5528	0.2159	1.6616	0.1497	5.3988	-	8.5314	5.3321
14	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
15	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
16	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
17	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
18	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
19	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
20	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
21	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
22	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
23	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
24	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
25	0.5528	0.5528	0.2159	1.6616	0.1497	-	-	3.1326	1.9579
<b>Levelized Tariff</b>								<b>7.3575</b>	<b>4.5985</b>

**Note:**

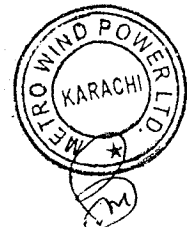
For computation of Interest During Construction (IDC) and Return of Equity During Construction (ROEDC), we have used the same disbursement percentages and computation mechanism as used in the original Tariff Determination. However, IDC and ROEDC shall be adjusted at the time of COD tariff adjustment on the basis of actual disbursements of debt and equity.

Foreign financing rate assumption for calculation of tariff is "3 Month LIBOR (2.1241%) + 4.25% = 6.3741%"



Metro Wind Power Limited  
Foreign Debt Servicing Schedule

Year	Base Amount (USD)	Principal Repayment	Interest	Balance Principal	Principal Repayment PKR/kWh	Interest Repayment PKR/kWh
1	59,260,566	740,492	944,336	58,520,074	2.4301	2.9687
1	58,520,074	752,292	932,536	57,767,782		
1	57,767,782	764,280	920,548	57,003,501		
1	57,003,501	776,459	908,369	56,227,042		
2	56,227,042	788,833	895,996	55,438,209	2.5888	2.8100
2	55,438,209	801,403	883,426	54,636,806		
2	54,636,806	814,173	870,655	53,822,633		
2	53,822,633	827,148	857,681	52,995,485		
3	52,995,485	840,328	844,500	52,155,157	2.7578	2.6410
3	52,155,157	853,719	831,109	51,301,438		
3	51,301,438	867,324	817,505	50,434,114		
3	50,434,114	881,145	803,684	49,552,969		
4	49,552,969	895,186	789,643	48,657,783	2.9378	2.4610
4	48,657,783	909,451	775,378	47,748,332		
4	47,748,332	923,944	760,885	46,824,389		
4	46,824,389	938,667	746,162	45,885,722		
5	45,885,722	953,625	731,204	44,932,097	3.1296	2.2692
5	44,932,097	968,821	716,008	43,963,276		
5	43,963,276	984,260	700,569	42,979,016		
5	42,979,016	999,944	684,885	41,979,072		
6	41,979,072	1,015,879	668,950	40,963,194	3.3339	2.0649
6	40,963,194	1,032,067	652,762	39,931,127		
6	39,931,127	1,048,513	636,315	38,882,614		
6	38,882,614	1,065,222	619,607	37,817,392		
7	37,817,392	1,082,196	602,632	36,735,196	3.5515	1.8473
7	36,735,196	1,099,441	585,387	35,635,754		
7	35,635,754	1,116,961	567,867	34,518,793		
7	34,518,793	1,134,761	550,068	33,384,032		
8	33,384,032	1,152,843	531,985	32,231,189	3.7834	1.6154
8	32,231,189	1,171,214	513,614	31,059,975		
8	31,059,975	1,189,878	494,951	29,870,097		
8	29,870,097	1,208,839	475,990	28,661,258		
9	28,661,258	1,228,102	456,726	27,433,156	4.0303	1.3684
9	27,433,156	1,247,672	437,156	26,185,483		
9	26,185,483	1,267,555	417,274	24,917,929		
9	24,917,929	1,287,753	397,075	23,630,175		
10	23,630,175	1,308,274	376,555	22,321,901	4.2935	1.1053
10	22,321,901	1,329,122	355,707	20,992,779		
10	20,992,779	1,350,302	334,527	19,642,477		
10	19,642,477	1,371,819	313,009	18,270,658		
11	18,270,658	1,393,680	291,149	16,876,978	4.5737	0.8251
11	16,876,978	1,415,889	268,940	15,461,089		
11	15,461,089	1,438,451	246,377	14,022,638		
11	14,022,638	1,461,373	223,455	12,561,265		
12	12,561,265	1,484,661	200,168	11,076,604	4.8723	0.5265
12	11,076,604	1,508,319	176,509	9,568,284		
12	9,568,284	1,532,355	152,474	8,035,929		
12	8,035,929	1,556,774	128,055	6,479,156		
13	6,479,156	1,581,581	103,247	4,897,575	5.1904	0.2084
13	4,897,575	1,606,784	78,044	3,290,790		
13	3,290,790	1,632,389	52,440	1,658,402		
13	1,658,402	1,658,402	26,427	-		





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**ANNEXURE-D**

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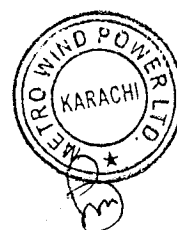
## Annexure – D

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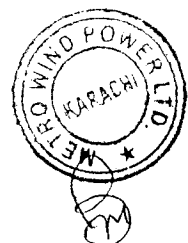
**Metro Wind Power Limited**

**Tariff Comparison Schedule (under Rule 3(2)(d) of NEPRA (Tariff Standards and Procedure) Rules, 1998)**

	Original Tariff Determination	Modification Petition
i) Levelized Tariff (US cents/kWh)	4.6360	4.5985
ii) Project Cost (in US \$ Million)		
Project Cost other than IDC	71.663	71.663
IDC	2.269	2.413
<b>Total Project Cost</b>	<b>73.932</b>	<b>74.076</b>
iii) Debt:Equity	80:20	80:20
iii) Project Debt Mix (for reference tariff calculation)		
SBP financing	100%	0%
Foreign debt	0%	100%
iv) Reference exchange rate (PKR to US\$)	120	160
v) Debt Repayment Period (years)		
SBP financing	10	N/A
Foreign debt	N/A	13



**ANNEXURE-E**





**Meezan Bank**  
The Premier Islamic Bank



IB/E/19/24

July 11, 2019

Danish Iqbal  
Chief Executive Officer  
Metro Wind Power Limited  
7th floor, Al-Tijarah Centre,  
32-1-A, Block-6, P.E.C.H.S.,  
Main Shara-e-Faisal,  
Karachi-75400, Pakistan.

**SUBJECT: REQUEST FOR THE FINANCING PLAN OF A 60 MW WIND POWER GENERATION PROJECT –  
METRO WIND POWER LIMITED**

Dear Sir/Madam,

This is with reference to our ongoing discussions regarding arrangement of financing to a 60 MW wind power generation project at Jhimpir, District Thatta, Sindh, Metro Wind Power Limited (the "Project").

We understand that the Project has been awarded tariff determination under a "cost plus" mode with the following financing parameters;

Refence Project Cost	USD 73.932 Mn/-
Debt to Equity ratio	80:20
Equity	PKR equivalent of USD 14.786 Mn/-
Debt Financing Amount	USD 59.145 Mn/-

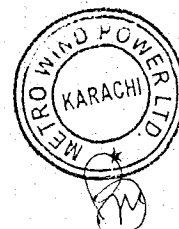
The tariff determination has been provided on the basis, *inter alia*, that the Project will avail financing under the Islamic Financing Facility for Renewable Energy IHI & SMEED Circular No. 01 of 2019 dated 22 February 2019 (the "SBP Islamic Financing Scheme") issued by the State Bank of Pakistan ("SBP"). However, as per our understanding and discussions held with State Bank of Pakistan, the said SBP Islamic Financing Scheme is only applicable for a project with a maximum capacity of 50 MW whereas the project with a capacity of more than 50 MW does not qualify for SBP Islamic Financing Scheme.

Based on above, since Metro Wind Power Limited is a 60 MW project, therefore the Project does not qualify for SBP Islamic Financing Scheme. It is pertinent to mention that the tariff determination also allows the Project to arrange debt financing from alternate sources (local or foreign) only after the Project has exhausted the option of availing financing under the SBP Islamic Financing Scheme.

We remain available in case any additional information or clarification is required.

Yours sincerely,

FOR AND ON BEHALF OF  
MEEZAN BANK LIMITED



**Meezan Bank Ltd.**

Head Office: Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.  
PABX: (92-21) 38103500 UAN: 111-331-331 & 111-331-332 [www.meezanbank.com](http://www.meezanbank.com)