



SURYODAY GROUP
Green Energy & Biofuels Division

ESCROW, PAYMENT CONTROL & CASH WATERFALL FRAMEWORK

Doc No: SG-CBG-EPF-06 | Full Name: Escrow, Payment Control & Cash Waterfall Framework | Short: Escrow Framework

Doc No: SG-CBG-EPF-06 | Full Name: Escrow, Payment Control & Cash Waterfall Framework | Short: Escrow Framework

Stage: Stage 3 - Finance & Structure | Linked to: FCF-04, SPV-05, CTS-03, EPC-07 | For Bank, Investor, EPC
Purpose: To define Escrow Account structure, Payment Control mechanism for EPC payments, Cash Waterfall for revenue distribution, DSRA. This is key document for Bank and Investor trust.

1. Escrow Structure - 3 Accounts

Escrow Account	Purpose	Operated By
1. Project Construction Escrow Account	All equity (Investor + Suryoday) + Debt (Bank) + Subsidy inflow. All EPC payments outflow as per CTS-03 milestones. No other payment.	SPV + Suryoday + Lender + Independent Engineer. All payments need IE certificate + SPV + Lender approval.
2. Revenue Escrow / TRA Account	All revenue inflow: CBG Sales from OMC/CGD, Manure Sales, Carbon Credit, Subsidy. Outflow as per Waterfall below.	SPV + Lender. Monthly waterfall as per approved mechanism.
3. DSRA Account	Debt Service Reserve Account - 3 months EMI kept as security for Bank.	Lender controlled. To be replenished if used.

2. Payment Control Mechanism for EPC Payments - Via Construction Escrow

Step	Process	Document
1	EPC raises invoice as per milestone in CTS-03 and submits to SPV with supporting documents	Invoice + Supporting as per CTS-03 Clause 5
2	Independent Engineer / PMC verifies work done at site / factory, checks quality, quantity, and certifies	IE Certificate

Step	Process	Document
3	SPV (Suryoday Team) reviews IE Certificate and approves for payment	SPV Approval Note
4	Lender (if debt disbursed) gives No Objection / Approval for payment from Escrow	Lender NOC (if applicable)
5	Escrow Bank releases payment via RTGS from Construction Escrow Account to EPC Account	Escrow Bank Statement, RTGS Confirmation

Important: No direct payment by SPV to EPC outside Escrow. This ensures Investor and Lender trust that EPC gets paid only after certified work.

3. Cash Waterfall - Revenue Distribution Mechanism (Monthly)

Priority	Payment Head	% / Amount	Remarks
1	Statutory Dues - GST, Electricity, Water, Statutory	Actual	First priority
2	O&M; Expenses - Feedstock, Power, Manpower, Maintenance	Actual as per budget	Approved by Board
3	Lender EMI - Term Loan Principal + Interest	As per loan schedule	Second priority after O&M;
4	DSRA Replenishment	If used	If DSRA used, replenish
5	Investor Preference / Minimum Return if any as per Investment Agreement	As per SPV-05	If agreed in Investment Agreement
6	Suryoday Management Fee if any as per SPV-05	As per SPV-05	If agreed
7	Residual Profit - Dividend to Equity Shareholders as per shareholding	Balance	Distributed quarterly after Board approval

4. Linkage to Other Frameworks

This Escrow Framework EPF-06 is linked to: FCF-04 (Funding - funds come into Construction Escrow), SPV-05 (SPV operates Escrow), CTS-03 (EPC Payment milestones defined in CTS are executed via this Escrow), EPC-07 (EPC Agreement states 'All payments via Escrow as per EPF-06'). This Framework is mandatory for Bank and Investor confidence. Reference in EPC-07: 'All payments shall be made via Escrow Account as per Escrow, Payment Control & Cash Waterfall Framework No. SG-CBG-EPF-06.'