

**NHPC LIMITED**  
**(A Government of India Enterprise)**  
Regd. Office: NHPC Office Complex, Sector-33, Faridabad-121003 (Haryana)

**Notice Inviting E-Tender (NIT) -Web Notice**

Online bids (e-tender) are invited in single stage- two part bidding basis Cover-I: Technical-bid and Cover-II: Financial Bid for and on behalf of NHPC Limited (A Govt. of India Enterprise) from the Domestic bidders registered in India i.e. Banks for **“Monetization of Free Cash component (Return on Equity) of Kishanganga Power Station for next eight-year in single tranche during FY 2023-2024 ”** on *Open Tender Basis*.

1. The complete bid/ tender document can be viewed and downloaded from Central Public Procurement Portal <https://eprocure.gov.in/eprocure/app>. The site can also be viewed through e-procurement corner of NHPC website [www.nhpcindia.com](http://www.nhpcindia.com) and CPP Portal. The bid is to be submitted online only on <https://eprocure.gov.in/eprocure/app> upto Bid Submission Closing Date & Time of tender. The brief details of the tender are as under:

Sl. No.	Item	Description
i)	Mode of tendering	e-Procurement System Cover-I: Online Techno-Commercial Bid Cover-II: Price Bid
ii)	Tender ID No.	<u>2024 NHPC 788646 1</u>
iii)	Tender Reference No.	<u>NH/CCW/CC-II/CO287/PR10023/435</u>
iv)	Cost of bid document	Nil
v)	Period of Bid Validity	60 days
vi)	Completion Period	As per Tender Document
vii)	Tender inviting Authority	General Manager (CC-II), 2 <sup>nd</sup> Floor, NHPC Office Complex, Sector-33, Faridabad-121003 (Haryana)
viii)	Venue for opening of bids	Contracts Civil Division, 2 <sup>nd</sup> Floor, NHPC Office Complex, Sector-33, Faridabad-121003 (Haryana)

2. The critical dates of tender are as under:

Sl. No.	Particulars	Date & Time
i)	Publishing Date & Time	04.01.2024 (17:00 Hrs.)
ii)	Pre-Bid Meeting	15.01.2024 (11:30 Hrs.)
iii)	Bid Submission Start Date & Time	16.01.2024 (15:00 Hrs.)
iv)	Online Bid Submission Closing Date & Time	27.01.2024 (18:00 Hrs.)
v)	Offline submission (hard copies) closing Date & time	One hour prior to bid opening date
vi)	Opening Date & Time (Cover-I) & Price bid Opening Date & Time (Cover-II)	29.01.2024 (15:00 Hrs.) Both the Covers (Cover-I & II) will be opened simultaneously

## Request for Quotation (RFQ)

NHPC, a Mini Ratna category I public sector utility, is the flagship hydroelectric generation company promoted by the GoI with shareholding of the GoI in the company of 70.95%. It is the largest HEP developer in India and a leader in the design, construction, and operation of hydropower plants. NHPC has so far commissioned 22 Hydro Power Projects, 1 Wind Power Project and 1 Solar Power Project with an installed capacity of 7097 MW including projects developed in subsidiary (ies).

NHPC along with its JVs and subsidiaries, is also expanding its renewable energy (solar and wind) portfolio. Currently, NHPC along with its JVs and subsidiaries has 15 Projects with 10449 MW capacity in the construction stage (including 6 Solar projects with 1135 MW capacity) and 24 projects with 21,317 MW capacity under pipeline at different stages (including 5 Solar projects with 1790 MW capacity and 9 Pump Storage Projects with 10725 MW capacity).

NHPC is a profitable company since many years. During the FY 2022-23, the total revenue and profit after tax of the company were INR 11,284.90 Crore and INR 3,889.98 Crore respectively on a consolidated basis. NHPC has the highest domestic credit rating of 'AAA' with a stable outlook by domestic rating agencies viz. ICRA, CARE and India Ratings for listed bonds indicating lower credit risk for investors.

A detailed list of operational projects and their capacity is annexed in **Annexure-I**.

### A. NHPC financial outlook and key ratios

(figures in INR crore, unless specified)

#### Profit and loss Account

Particulars	Standalone basis		Consolidated basis	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from operations	9,316.34	8309.22	10,607.40	9,144.20
Other Income	834.56	1,026.18	677.50	964.06
Total revenue	10,150.90	9,335.40	11,284.90	10,108.26
<b>EBITDA</b>	<b>6,205.20</b>	<b>5,704.83</b>	<b>6,945.61</b>	<b>6,152.11</b>
EBITDA (%)	66.61%	68.66%	65.48%	67.28%
Profit before tax (PBT)	4,583.60	4,046.86	5251.59	4,427.44
Less: Tax	(605.40)	(761.27)	(976.24)	(556.98)
Profit after tax before rate-regulated activities	3,978.20	4,808.13	4,275.34	4,984.42
Movement in regulatory deferral balances account	(144.41)	(1,270.42)	(40.61)	(1,210.09)
<b>Profit after tax (PAT)</b>	<b>3,833.79</b>	<b>3,537.71</b>	<b>4,234.74</b>	<b>3,774.33</b>
<b>PAT (excl. Non-Controlling Interest)</b>	NA	NA	<b>3,889.98</b>	<b>3,523.57</b>

#### Balance sheet

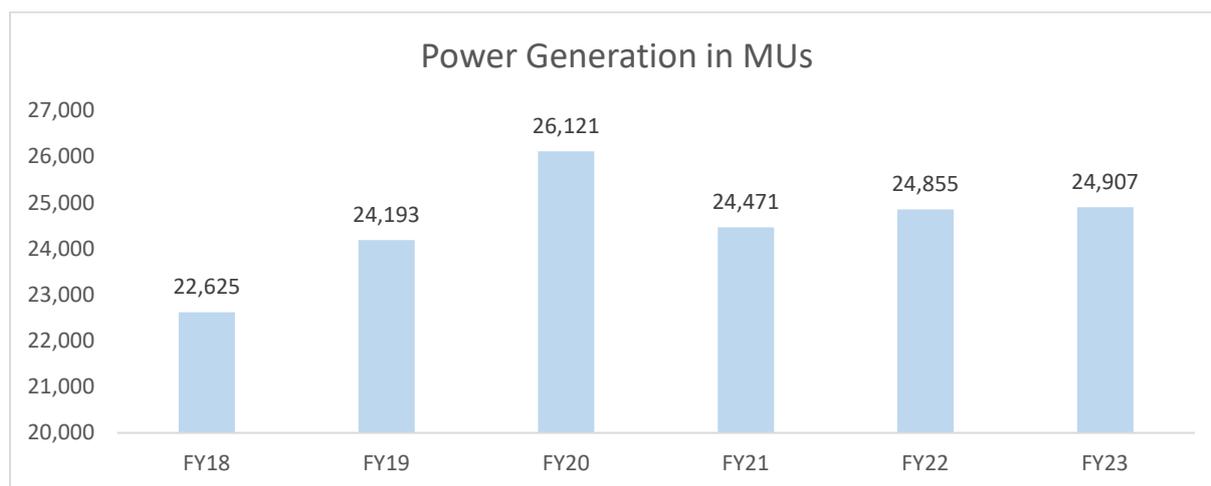
Particulars	Standalone basis		Consolidated basis	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Gross block	17,435.03	19,024.55	17,841.57	19,191.08
CWIP	25,315.01	20,573.84	31,350.50	22,521.90
Cash and bank balance	638.22	1,160.71	2,693.68	1,958.35
Trade receivables	5,487.59	4,621.48	6,160.59	5,175.84
Inventories	150.48	130.30	161.18	140.44
Total assets	74,715.12	70,299.62	86,087.46	77,284.50
Share capital	10,045.03	10,045.03	10,045.03	10,045.03
Tangible net worth	35,407.96	33,486.10	36,899.34	34,920.98
Long term borrowings	23,254.69	23,166.61	26,602.24	23,226.61
Short term borrowings	2,885.65	2,848.76	2,885.65	2,848.76
Total liabilities	39,307.16	36,813.52	44,372.99	39,500.65
Total equity	35,407.96	33,486.10	41,714.47	37,783.85

#### Key ratios (standalone basis)

Ratios	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
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Current ratio (x times)	1.09	1.20
Debt-equity ratio (x times)	0.85	0.84
Debt service coverage ratio (x times)	4.05	3.62
Interest service coverage ratio (x times)	8.21	7.18
Return on Equity (%)	11.13	10.87
Inventory turnover ratio	64.78	62.26
Trade receivable turnover ratio	1.76	1.80
Net profit ratio (%)	41.15	42.58
Return on capital employed (%)	6.70	7.26

## B. NHPC power generation trends from FY 2017-18 to FY 2022-23



C. NHPC, towards its asset monetization commitment under National Monetization Plan (NMP), proposes to monetize its Free Cash component (Return on Equity) of Kishanganga Power Station by means of securitization for next 8-year period. This document is being provided to the potential bidders for an overview of the organization and the proposed transaction. Accordingly, bids are invited from the eligible bidders as per the details below:

S.No.	Elements	Descriptions
1.	Reference to bid specification	<a href="#">NH/CCW/CC-II/CO287/PR10023/435</a>
2.	Quote required under the bid	"Bidders are required to quote a discounting rate (applicable benchmark plus spread) and amount of securitization facility.
3.	a) Required tender document fee	Nil
	b) Required bid security	Nil
4.	Date of notification of RFQ Document	04.01.2024
5.	Pre bid conference	(T+7 days, to be updated accordingly)#
6.	Last date of sending Query	(T+9 days)
7.	Date of reply of queries	(T+11 days)
8.	Last date for physical bid submission	(T+22 days)
9.	Bid opening	(T+22 days)
10.	Bid validity	60 days from submitting the offer

# The venue and the mode of pre bid conference shall be shared separately.

## D. Technical features of Kishanganga Power Station

The important technical and financial parameters of Kishanganga Power Station are given below:

<b>Location</b>	Kralpora, District Bandipore, Union territory of J&K.
<b>Approach</b>	Nearest railhead: Jammu

	Nearest airport: Srinagar
<b>Capacity</b>	330 MW (3 X 110MW)
<b>Design energy</b>	1712.96 MU (90% dependable year with 95% machine availability)
<b>Date of COD</b>	Unit 1: 18 <sup>th</sup> May 2018 Unit 2 & 3: 24 <sup>th</sup> May 2018

<b>Barrage:</b>	
Type	Concrete face Rock fill dam
Length	146 m
Height	37 m
FRL	2390 m
MDDL	2384.5 m
<b>HRT:</b>	
Type	Horseshoe / Circular shaped
Dia	Dia 6.24 m (DBM) / 5.20 (TBM)
Length	23.20 Km
<b>Surge shaft:</b>	
Type	Restricted Orifice Type
Length	109.7 m
Dia	17.75 m
<b>Pressure shaft:</b>	
Type	Circular steel lined backfilled
Length	4.0 m dia trifurcating into three 2.3 m dia Horizontal Branches at Bottom
Dia	1055 m
<b>TRC/Tail Race Channel:</b>	
Type	Horseshoe shape
Dia	5.0 m
Length	869 m long and 36 m long 8 m wide open channel
Max TWL	1718.90 m
<b>Powerhouse:</b>	
Type	Underground
Capacity	Compromising of 3 generating units of 110 MW each
<b>Turbine:</b>	
Type	Pelton
Rated head	646 m
Design discharge	58.40 cumecs (for all 3 units)
Number of buckets	21
<b>Generator:</b>	
Rated continuous output	122.22 MVA @0.9 PF lag
Rated voltage	13.8 kV
Number of poles	16
Rated speed	375 RPM
Direction of rotation (from Top)	Clockwise
<b>Generator Step Up transformer (GSU):</b>	
Type	Single phase
Voltage ratio	13.8/200/ $\sqrt{3}$ kV
Rated MVA	45 MVA
Type of cooling	OFWF
<b>Pot head yard:</b>	
Type	AIS
Voltage level	220 kV
Number of lines	4 Nos. 220 kV- Delina 220 kV – Delina – II 220 kV – Wagoora – I 220 kV – Wagoora – II

## E. Power Purchase Agreements (PPA)/ Bulk Power Supply Agreements (BPSA)

The major beneficiary states/UTs of PPA/BPSA are (i) Jammu & Kashmir (J&K) (ii) Chhattisgarh (iii) Uttar Pradesh (U.P.) The matter of extension of PPA with beneficiaries for balance useful life of the Power Station will be taken up a few months in advance of the expiry of the existing PPA/BPSA. The % sharing amongst states/UTs along with validity of PPA/BPSA and unallocated share as per MoP is as below:

Name of State/ UTs	Percentage (%) Share	MW	PPA Tenor	Valid till
Jammu & Kashmir (J&K)	13	42.90	40 years from COD	23-May-2058
Chhattisgarh	30.30	100	35 years from COD	23-May-2053
Uttar Pradesh (U.P.)	41.70	137.60	35 years from COD	23-May-2053
Unallocated	15	49.50		
<b>Total</b>	<b>100</b>	<b>330</b>		

**Free Power:** The power from Power Station was allocated as per the Central Power sharing formula circulated by the Ministry of Power, Government of India vide letter No. 13/2/2000 (NHPC) Vol. IX dated 31<sup>st</sup> May 2018, under which Jammu & Kashmir is entitled to 13% free power.

## F. Capital cost of Kishanganga Power Station

The opening capital cost as on 01.04.2019 is INR 5,430.47 Crore as per tariff petition no. 453/GT/2020(Tariff order to be notified) after considering the projected additional capitalization. The capital cost for FY 2019-24 as per tariff petition filed by the NHPC is mentioned below:

(all figures in INR crore, unless specified)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Closing capital cost	5,447.40	5,482.63	5,623.06	5,711.55	5,793.74

## G. Generation data of Kishanganga Power station from FY 2018-19 to 2023-24

Month wise actual generation for past 5 years and current year against design energy is as below:

Month	Actual Generation (in MUs)					
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
April	6.4	119.50	8.80	159.50	233.20	167.50
May	46.40	101.80	137.80	160.70	247	165.10
June	73.80	117.70	137.30	141.0	239.10	206.10
July	72.70	131.70	166.0	222.50	223.20	248.30
August	38.40	79.20	165.90	210.30	163.60	208.17
September	93.0	103.70	139.0	142.60	87.30	100.61
October	57.0	58.90	68.40	109.80	45.10	59.94
November	19.60	41.40	50.50	66.23	35.30	33.14
December	30.90	35.60	47.20	49.80	21.30	
January	24.50	16.30	33.80	44.90	17.30	
February	23.60	14.50	44.10	44.50	30.50	
March	43.20	28.70	112.70	154.20	111.20	
<b>Total</b>	<b>529.5</b>	<b>849</b>	<b>1111.5</b>	<b>1506.03</b>	<b>1,454.10</b>	
<b>Design Energy</b>	<b>1712.96</b>	<b>1712.96</b>	<b>1712.96</b>	<b>1712.96</b>	<b>1712.96</b>	<b>1712.96</b>

## H. Actual PAF for Kishanganga power station from FY 2018-19 to FY 2023-24

Month wise actual Plant Availability for past 5 years and current year is as below:

Month	Actual PAF (%)					
	2018-19*	2019-20	2020-21	2021-22	2022-23	2023-24
April	0	56.10%	4.50%	68.40%	101.62%	76.95%
May	49.00%	45.10%	57.50%	66.09%	103.05%	68.64%
June	44.40%	54.40%	59.60%	61.21%	102.56%	88.17%
July	30.30%	57.60%	68.40%	92.75%	103.22%	103.67%
August	17.10%	35.50%	68.40%	96.95%	103.36%	87.64%
September	46.90%	65.30%	69.60%	102.58%	103.08%	76.52%
October	55.60%	63.60%	79.80%	101.40%	103.36%	83.87%
November	16.50%	65.10%	78.60%	99.98%	95.35%	92.27%
December	53.60%	63.00%	79.90%	86.70%	65.10%	
January	63.10%	38.70%	58.20%	72.75%	39.15%	
February	61.60%	31.10%	48.50%	84.38%	41.98%	
March	58.80%	12.10%	64.60%	102.51%	66.20%	
<b>Annual PAF</b>	<b>41.41%</b>	<b>48.97%</b>	<b>61.47%</b>	<b>86.31%</b>	<b>85.67%</b>	<b>--</b>
<b>NAPAF (%)</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>

\*Part year PAF

## I. Tariff of the Kishanganga Power Station

Being Central Sector hydro power generating company, the tariff of Hydro Power Stations of NHPC is determined by Central Electricity Regulatory Commission (CERC) as per Tariff Regulations issued from time to time. At present, CERC Terms & Condition of Tariff Regulation, 2019 is applicable for the period 2019-24. The breakup of AFC component as per tariff petition no. 453/GT/2020 is shown in the table below. However, tariff order for 2019-24 are yet to be notified.

(all figures in INR crore, unless specified)

AFC Component	2018-19*	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	69.45	81.58	81.98	83.29	85.01	86.29
Interest on Loan	46.72	49.71	45.88	45.02	44.35	41.98
Return on Equity	294.42	326.22	327.79	333.05	339.92	345.04
Interest on working capital	13.34	14.60	14.94	15.41	15.92	16.40
O&M expenses	96.76	142.59	149.39	156.52	163.98	171.81
<b>AFC</b>	<b>520.69</b>	<b>614.71</b>	<b>619.98</b>	<b>633.29</b>	<b>649.18</b>	<b>661.52</b>

\*Part year AFC

The composite tariff of the Kishanganga Power Station for FY 2018-19 is INR 4.54/kWh.

**J. Transaction Overview:** NHPC proposes to monetize its future Free Cash component of Kishanganga Power Station by means of securitization for the next 8-year period.

The term sheet for the transaction is as follows:

S.No.	Particulars	Details
i.	<b>Issuer</b>	NHPC ('Company')
ii.	<b>Power Station</b>	Kishanganga Power Station, 330 MW
iii.	<b>Securitization facility</b>	<ul style="list-style-type: none"> <li>NHPC receives an ROE of about INR 345 Crore per year from its Kishanganga Power Station.</li> <li>NHPC proposes to monetize the Free Cash component of Kishanganga Power Station by securitization for next 8 years where Free Cash is equal to return on equity (RoE) component of annual fixed charge (AFC)</li> </ul>
iv.	<b>Amount of Securitization facility</b>	<ul style="list-style-type: none"> <li>Securitization Facility shall be computed by discounting the monthly Fixed payout of Free Cash aggregating to INR 345 Crore in a year at the Discounting Rate quoted by the Successful Bidder.</li> <li>Bidders to quote a discounting rate for providing the securitization facility and discounted value of Annual Free Cash of INR 345 Crore (repayable to the bidders in equal monthly amounts over a period of next 8 years) at the Discounting Rate (DR) quoted by the Bidder, as per the formula given below. The same shall be the Securitization Facility to be availed from the Successful Bidder.</li> </ul> <p> <math display="block">P = M \times (1 - (1/(1+(r/12)) ^n))/(r/12)</math>                     where:                      P = Amount of Securitization Facility                      M = Monthly Free Cash (i.e., INR 28.75 Crore)                      r = Discount Rate to be quoted (p.a.)                      n = Number of monthly amounts (i.e., 96)                 </p> <p>For illustration, at a discount rate of 8% p.a., for 96 monthly installments, the amount of Securitization Facility shall work out to INR 2,034 Crore. Similarly, at a discount rate of 7.75% p.a., for 96 monthly installments, the amount of Securitization Facility shall work out to INR 2,052 Crore. The details are in <b>Annexure II and Annexure III</b>. (All estimations are rounded to 2 decimals)</p>
v.	<b>Payout to bidder by NHPC</b>	<ul style="list-style-type: none"> <li>Fixed Component: Free Cash of INR 28.75 Crore per month shall be credited into the Escrow Account (EA) on monthly basis starting from the month next to the month of disbursement for payment of dues towards Securitization facility raised (comprising of interest calculated on the basis of quoted Discount Rate on reducing balance basis and balance amount shall be applied towards redemption of Securitization Facility), if the disbursement is not made on first day of month. In such case, the applicable interest component based on the quoted Discounting Rate for the break period in the month of disbursement shall be paid by the Company.</li> <li>In the event whereby disbursement is made on first day of the calendar month, then monthly fixed payout shall be the last calendar day of the month of the disbursement and in such case, no break period interest shall be applicable.</li> <li>In case the disbursement happens in two tranches then Free</li> </ul>

		<p>cash amount of INR 28.75 Crore gets prorated accordingly. For illustration, if disbursement happens in two equal tranches say on 1st February 2024 and 15th March 2024, then for the month of February 2024 and March 2024, Monthly Free Cash will be INR 14.38 Crores. From April 2024, Monthly Free Cash shall be INR 28.75 Crores till January 2032. For February 2032 and March 2032, the Free Cash shall be INR 14.38 Crore. However, interest at quoted discount rate for break period of 16 days i.e. from March 16, 2024, to March 31, 2024, on second tranche shall be payable by NHPC.</p> <ul style="list-style-type: none"> <li>In case of any subsequent change of Discounting Rate due to change of applicable Benchmark Rate, any increase in monthly outflows on account of such reset shall be borne by NHPC by additional credit to EA while in case of decrease in monthly outflows due to decrease in Benchmark Rate, then the Fixed Component shall be reduced accordingly and same shall be credited to the EA.</li> <li>No other charges, fees etc. shall be payable, unless otherwise provided in this document other than the monthly Fixed Payout.</li> </ul> <p>Indicative Cash outflows in a year to the successful Bidder considering the indicative Discounting Rate (DR) of @8% &amp; @ 7.75% for 8 year at a Securitization Facility of INR 2,034 crore &amp; INR 2,052 crore respectively is attached at <b>Annexure II and Annexure III</b> (All estimations are rounded to 2 decimals)</p>
vi.	<b>Credit to Escrow Account (EA)</b>	<ul style="list-style-type: none"> <li>NHPC shall credit required Fixed Component on the Due Date whereby Due Date is defined as below: <ul style="list-style-type: none"> <li><b>Fixed Component:</b> NHPC shall credit Free Cash of INR 28.75 Crore per month in a dedicated EA, 2 days before the last day of each month, for exclusive payment to the Bidder. If the said date is a holiday then NHPC shall credit the Free Cash on previous working day.</li> <li>In case the disbursement happens in two tranches then Free cash amount of INR 28.75 Crore gets prorated accordingly as per mechanism defined in section J (v) above.</li> </ul> </li> <li>Additional credit to EA will be made by NHPC in case of additional interest payable for the break period (tranche wise) as per section J (v) above.</li> <li>Additional credit to EA will be made by NHPC in case of any increase in monthly outflows on account of change in respective Benchmark Rate, while in case of decrease in monthly outflows due to decrease in Benchmark Rate, then the Fixed Component shall be reduced accordingly and same shall be credited to the EA.</li> </ul> <p>Therefore, inflows and outflows to EA may be defined as follows:</p> <p>Inflows:</p> <ul style="list-style-type: none"> <li>Free Cash comprising of ROE component for Kishanganga Power Station</li> <li>Additional amount payable by NHPC in case of increase in monthly outflows on account of applicable Discounting Rate</li> </ul>

		<p>reset.</p> <p>c. Additional interest payable for the break period in case the disbursement is not made on the first day of the month.</p> <p>Outflows:</p> <p>a. Monthly Facility obligations due at the last day of each month.</p> <p>The Operating Procedure for Escrow Account shall be as per the Escrow Agreement shared with this RFQ.</p>
vii.	<b>Bidding Parameter</b>	<ul style="list-style-type: none"> <li>Bidders are required to quote a Discounting Rate' (applicable benchmark plus spread) for the Securitization Facility as mentioned at section J(iv) above.</li> <li>Bidders are also required to quote the securitized amount.</li> </ul>
viii.	<b>Benchmark Rate</b>	<ul style="list-style-type: none"> <li>Overnight/ 1 month/ 3-month MCLR of respective banks/FI</li> <li>1 month / 3-Month T-bill rate (FBIL website)</li> <li>Repo rate (RBI website)</li> <li>1/5/10 years G-Sec rates <i>YTM % p.a. (Annualised) Par Yield</i> on FBIL website</li> </ul>
ix.	<b>Reset mechanism</b>	<ul style="list-style-type: none"> <li>The discounting rate shall be reset every 1/3 months based on benchmark rate one day before the first disbursement plus quoted spread, if any. This rate shall be applicable till the date of first reset. The interest rate shall be reset based on the quoted benchmark which is explained as under: -</li> <li><b>In case of overnight MCLR/1-month MCLR/1-month T-bill rate:</b> The first reset shall take place on the first day of the month following completion of the month in which first disbursement takes place. For example, in case the drawl date is 01.02.2024, the first applicable interest rate shall be calculated based on benchmark rate as on 31.01.2024 plus quoted spread, if any. In case, 31.01.2024 happens to be a holiday, then rate available on previous working day shall be applicable. Further, the first reset shall take place on 01.03.2024 based upon the benchmark rate on one day prior to reset date plus quoted spread, if any. If the benchmark rate is not available on the said date, then benchmark rate of previous working day shall be considered. Thereafter reset will take place after every one month in the same manner.</li> <li><b>In case of 3-month MCLR/3-Month T-bill rate/Repo rate/ 1/5/10 years G-Sec rates:</b> The first reset shall take place on the first day of the month following completion of the quarter in which first disbursement takes place. For example, in case the drawl date is 01.02.2024, the first applicable interest rate shall be calculated based on benchmark rate as on 31.01.2024 plus quoted spread, if any. In case, 31.01.2024 happens to be a holiday, then rate available on previous working day shall be applicable. Further, the first reset shall take place on 01.04.2024 based upon the benchmark rate on one day prior to reset date plus quoted spread, if any. If the benchmark rate is not available on the said date, then benchmark rate of previous working day shall be considered. Thereafter reset will take place after every three months in the same manner.</li> <li>Benchmark Rate shall be considered on T-1 basis for reset purpose whereby T is the date of reset. If Benchmark Rate is not available on T-1 basis, the previous available day's benchmark shall be considered.</li> </ul>
x.	<b>Evaluation of bids</b>	<ul style="list-style-type: none"> <li>For evaluation of bids, the spread and benchmark rate quoted</li> </ul>

		<p>by the bidders shall be added together for calculating comparative interest rate. The closing benchmark rate i.e. 1/3 months T-bill on <i>FBIL website</i>, 1/5/10years G-Sec rates <i>YTM % p.a. (Annualised) Par Yield</i> on <i>FBIL website</i>, Repo Rate on <i>RBI site</i>, overnight/1/3 months MCLR notified by respective bank, 3 (Three) working days before the last date of submission of the bid shall be considered. For example, if last date of bid submission is January 19, 2024, then rate available on January 15, 2024, by end of the day, shall be applicable. In case Benchmark Rate is not available on January 15, 2024, then benchmark rate of previous working day shall be considered. If the benchmark quoted by bidder does not match with the benchmark taken from the respective website as explained above, the rate appearing on the respective website as on the applicable date, as per illustration given above shall be considered for evaluation purpose. The spread quoted by the bidder shall be fixed throughout the tenor of the facility.</p> <ul style="list-style-type: none"> <li>• Bidder quoting the lowest Discounting Rate will be declared as the winning bidder. In other words, bidders offering the highest discounted value of 8 years of Free Cash of INR 2,760 Crore (for 8 years) shall be the successful bidder.</li> <li>• In case of having more than one L1 bidder, equal amount will be taken from all L1 bidders.</li> <li>• Bids received after due date and time shall be treated as non-responsive. Any conditional bid shall also be liable for rejection.</li> <li>• NHPC reserves the right to accept or reject any bid at any time prior to signing of the agreement or cancel/withdraw invitation to Bid for any reason without thereby incurring any liability to the affected Bidder or Bidders.</li> </ul>
xi.	<b>Disbursement</b>	<ul style="list-style-type: none"> <li>• Disbursement shall be done in one/more tranches in the month of February 2024 and /or March 2024.</li> <li>• NHPC shall inform seven working days in advance before the disbursement.</li> </ul>
xii.	<b>Purpose</b>	<ul style="list-style-type: none"> <li>• To meet out the CAPEX requirement of the company including recoupment of CAPEX already incurred.</li> </ul>
xiii.	<b>Tenor</b>	<ul style="list-style-type: none"> <li>• 8 years</li> </ul>
xiv.	<b>Security</b>	<ul style="list-style-type: none"> <li>• First charge on Escrow a/c opened by the Company for depositing the Free Cash by the company, and</li> <li>• Pari-passu charge on specific project(s)/ power station(s) existing and future movable and/or immovable fixed assets of the Company to the extent of 1.0 times of sanctioned amount.</li> </ul>
xv.	<b>Transaction Documents</b>	<ul style="list-style-type: none"> <li>• Financing Documents shall include, but not limited to the following: <ol style="list-style-type: none"> <li>a. Sanction Letter for securitization facility.</li> <li>b. Facility Agreement.</li> <li>c. Escrow Agreement.</li> <li>d. Security Documents if any</li> <li>e. Any other agreements that are required to be executed in relation to the Facility</li> </ol> </li> </ul>
xvi.	<b>Penal Charges</b>	<ul style="list-style-type: none"> <li>• The Company shall pay liquidated damages/ penal charges at the rate of 2% p.a. along with the interest for the default period at the discounted rate applicable in the quarter on the defaulted amount, in the event of any default of depositing Free Cash amount into the EA on the due dates, for the period of such default.</li> </ul>

xvii.	<b>Event of Default</b>	<p>To include the following:</p> <ul style="list-style-type: none"> <li>• Failure of the Company to credit the Free Cash amount i.e., INR 28.75 Crore into the EA on the Due Date.</li> </ul> <p><b>Consequences of Event of Default:</b></p> <p>Upon the occurrence of Event of Default, the Bidder may exercise any one or more of the following rights:</p> <ul style="list-style-type: none"> <li>• Accelerate the payment of outstanding amount of Facility.</li> <li>• Draw on any margins available and balances in the Escrow Account under lien to the Bank.</li> <li>• The investor/successful bidder at any time after the occurrence of an event of default under the Facility Letter(s)/ Agreement(s), the investor/successful bidder may have a receiver appointed in respect of the Hypothecated receivables or any part thereof.</li> <li>• The investor/successful bidder would be at liberty (but not bound to do so) to appoint its nominee as receiver without having resort to a Court of Law and/or to a proceeding in Court, to take possession of the properties of NHPC held/to be held by the investor/successful bidder as security for the Loan hereunder or under any other security document(s) executed /to be executed by NHPC in favor of the investor /successful bidder.</li> </ul>
xviii.	<b>Governing Law</b>	Indian Law and subject to jurisdiction in the Indian courts. The scheme of Governing Law shall be as detailed in the Facility Agreement.
xix.	<b>Expenses/Reimbursement</b>	Stamp duty if any on the Credit Facility (ies) documents shall be borne by NHPC. No other charges shall be payable thereafter.
xx.	<b>Prepayment</b>	Allowed fully and / or partially with 30 days' notice after 12 months from the disbursement of last tranche
xxi.	<b>Prepayment Charges/ Fee/ Penalty</b>	Nil

The Free Cash shall be credited to EA on monthly basis. Annual indicative credits to EA starting from the month next to the month of disbursement are given below:

- **If disbursement happens in single tranche:**

(all figures in INR crore, unless specified)

Year	1	2	3	4	5	6	7	8
ROE component of AFC	345	345	345	345	345	345	345	345
<b>Total Credit to EA</b>	<b>345</b>							

- **If disbursement happens in two equal tranches:**

(all figures in INR crore, unless specified)

Year	1	2	3	4	5	6	7	8	9
ROE component of AFC	316.25	345	345	345	345	345	345	345	28.75
<b>Total Credit to EA</b>	<b>316.25</b>	<b>345</b>	<b>28.75</b>						

#### K. Tentative timeline for the bid process

Sl. No.	Steps/Actions	Tentative Timeline (Days)
1.	Issue of RFQ to Interested bidders	T
2.	Conducting meeting of Interested Bidders	T + 7 days
3.	Last date of sending any query	T + 9 days
4.	Response to queries of bidder	T + 11 days
4.	Issuing amendments to RFQ if any required	T + 11 days
5.	Last date for physical Bid Submission by Bidders	T + 22 days
6.	Bid Opening by NHPC	T + 22 days
7.	Evaluation of Bids by NHPC	T + 25 days
8.	Issuance of Lol to the Successful Bidder	T + 29 days
9.	Signing of Agreement / Document	T + 34 days
10.	Transfer of consideration to NHPC by the bidder	Within 7 working days of request by NHPC (As per J(xi))

#### L. Eligible and Non- Eligible Bidders: List of the eligible bidders who can participate through this RFQ is as given below:

- **Eligible classes of Bidders**
  - Qualified Institutional Buyers (“QIBs”)
  - Mutual Funds
  - Debt Funds
  - Public Financial Institutions specified in Section 2(72) of the Companies Act 2013
  - Scheduled Commercial Banks.
  - State Industrial Development Corporations.
  - Insurance Companies registered with the Insurance Regulatory and Development Authority.
  - Provident Funds and Pension Funds with minimum corpus of Rs.25.00 crore.
  - National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of the Government of India published in the Gazette of India.
  - Insurance funds set up and managed by army, navy or air force of the Union of India.
  - Alternative Investment Funds, subject to investment conditions applicable to them under the Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012
  - Foreign Portfolio Investors (“FPI”), Foreign Institutional Investors (“FII”) and sub- accounts (other than a sub account which is a foreign corporate or foreign individual), Qualified

Foreign Investors (“QFIs”), not being an individual, registered with SEBI and who is not a resident of USA and is not subject to any taxation laws of the USA

m. Non-Banking Financial Institutions

• **Non-Eligible classes of Investors**

- a. Minors without Guardian name (A guardian may apply on behalf of a Minor. However, Applications by Minors must be made through Application Forms that contain the names of both the Minor Applicant and the guardian).
- b. Non-Resident Investors being an individual including NRIs, QFIs (Individual) and FPIs (Individual).
- c. Indian Venture Capital Funds.
- d. Foreign Venture Capital Investors.
- e. Overseas Corporate Bodies.
- f. Persons ineligible to contract under applicable statutory/ regulatory requirements

**M. Other Terms & Conditions:**

- NHPC reserves the right to accept / reject a bid without assigning any reasons whatsoever.
- Each Bidder shall submit bid for the entire Securitization Facility.

**N. Financial/Price bid shall be provided in format as per Annexure IV and shall be submitted via stipulated online mode only.**

**O. Officer in Charge:** Sh. Anuj Kapoor, Executive Director (Finance), NHPC Ltd. Sector-33, Faridabad-121003.

**P. Confidentiality:** All information, data, documents, all calculations, and technical information furnished/disclosed by NHPC to the bidder will be treated by the bidder and its agents as confidential and proprietary in nature and shall not be used by any of them without the previous written consent of NHPC except in connection with the RFQ. Confidential information shall also mean any information or knowledge acquired by the bidder and/or its personnel arising out of, or in connection with the RFQ, which is not otherwise available to the public.

**Q. Power of Attorney:** The Power of Attorney (POA)/ Authority Letter in favor of signatory of tender documents and document regarding authority of executant of such POA/ Authority Letter needs to be submitted with the bids. The bidder is required to submit the same through offline mode. The hard copy of document should reach before the schedule date and time.

**R. Pre-Bid Conference:** A virtual pre-bid conference to discuss and clarify the RFQ / Terms of the Bid will be held on tentatively 7th day of the issue of this RFQ. Date, time, and link for the pre-bid conference will be separately notified. Interested bidders may also contact / send queries (if any) to Shri Saroj Kr. Roy, Deputy General Manager (Fin.) at [nhpcbondsection@nhpc.nic.in](mailto:nhpcbondsection@nhpc.nic.in) / [sarojkroy@nhpc.nic.in](mailto:sarojkroy@nhpc.nic.in) (+91-9810698472) for information in this regard.

**S. Power of Attorney/ Authority Letter, duly accepted copy of RFQ document (signed and stamped) indicating acceptance of the terms and conditions of RFQ, Bid Security Declaration Form (Annexure-V), Escrow Agreement (Annexure – VI) , Facility Agreement (Annexure – VII), and Deed of Hypothecation (Annexure-VIII) may be kept in a sealed envelope, addressed to General Manager (CC-II), Contracts (Civil) Division, 2nd Floor, NHPC Office Complex, Sector-33, Faridabad-121003 (Haryana). The sealed envelope must reach either in person or by post on or before scheduled date i.e., 29.01.24 and time of submission i.e., 14 Hrs. of bids. Any late receipt of bid including due to postal delay shall not be entertained at all.**

**T. Should you have any further clarifications / information, do not hesitate to call Shri Saroj K Roy, Deputy General Manager (Fin.) at 0129-2250437 or 9810698472 or 0129-2254677.**

**U. Price bid needs to be filled in specified format at CPP portal (online mode) only. Any hardcopy/ email or any other format other than specified on CPP portal shall not be accepted.**

**Annexure-I****List of projects in operation (including subsidiary)**

S.no.	NHPC Project	State /UT	Installed capacity (MW)	Design Energy (MU)	Year of commission	Type of project
1.	Salal	UT of Jammu and Kashmir	690 MW	3082	Nov 1987	ROR
2.	Uri – I	UT of Jammu and Kashmir	480 MW	2587.38	June 1997	ROR
3.	Chutak	UT of Ladakh	44 MW	212.93	January 2013	ROR
4.	Uri - II	UT of Jammu and Kashmir	240 MW	1123.77	February 2014	ROR
5.	Sewa -II	UT of Jammu and Kashmir	120 MW	533.53	June 2010	ROR with small pondage
6.	Kishanganga	UT of Jammu and Kashmir	330 MW	1712.96	March 2018	ROR with pondage
7.	Nimoo Bazgo	UT of Ladakh	45 MW	239.33	January 2013	ROR with small pondage
8.	Dulhasti	UT of Jammu and Kashmir	390 MW	1907	March 2007	ROR with small pondage
9.	Parbati - III	Himachal Pradesh	520 MW	1963.29	May 2014	ROR with small pondage
10.	Baira Suil	Himachal Pradesh	180 MW	708.59	Sep 1981	ROR with small pondage
11.	Chamera - I	Himachal Pradesh	540 MW	1664.56	April 1994	Storage
12.	Chamera - II	Himachal Pradesh	300 MW	1499.89	Feb 2004	ROR with small pondage
13.	Chamera - III	Himachal Pradesh	231 MW	1108.17	June 2012	ROR with small pondage
14.	Tanakpur	Uttarakhand	94 MW	452.19	April 1992	ROR
15.	Dhauliganga	Uttarakhand	280 MW	1134.69	October 2005	ROR with small pondage
16.	TLDP - III	West Bengal	132 MW	594.07	March 2013	ROR with small pondage
17.	TLDP - IV	West Bengal	160 MW	717.72	August 2016	ROR with small pondage
18.	Rangit	Sikkim	60 MW	338.61	Feb 2000	ROR with small pondage
19.	Teesta - V	Sikkim	510 MW	2572.70	March 2008	ROR with small pondage
20.	Loktak	Manipur	105 MW	448	May 1983	Storage
21.	Wind Power	Rajasthan	50 MW	94.22	2016	Renewable energy
22.	Solar Power	Tamil Nadu	50 MW	105.95	2018	Renewable energy
23.	Indrasagar (Subsidiary)	Madhya Pradesh	1000 MW	1423.26	2005	Storage
24.	Omkareshwar (Subsidiary)	Madhya Pradesh	520 MW	736.45	2007	Storage

**Annexure – II****Assuming quoted annual discount rate of 8%**

(all figures in INR crore, unless specified)

Period	Tranche 1	Discount rate	Discounted value for tranche 1	Tranche 2	Discount rate	Discounted value for tranche 2
1	14.38	0.99	14.28		1.00	0.00
2	14.38	0.99	14.19		1.00	0.00
3	14.38	0.98	14.09	14.38	0.99	14.28
4	14.38	0.97	14.00	14.38	0.99	14.19
5	14.38	0.97	13.91	14.38	0.98	14.09
6	14.38	0.96	13.81	14.38	0.97	14.00
7	14.38	0.95	13.72	14.38	0.97	13.91
8	14.38	0.95	13.63	14.38	0.96	13.81
9	14.38	0.94	13.54	14.38	0.95	13.72
10	14.38	0.94	13.45	14.38	0.95	13.63
11	14.38	0.93	13.36	14.38	0.94	13.54
12	14.38	0.92	13.27	14.38	0.94	13.45
13	14.38	0.92	13.19	14.38	0.93	13.36
14	14.38	0.91	13.10	14.38	0.92	13.27
15	14.38	0.91	13.01	14.38	0.92	13.19
16	14.38	0.90	12.93	14.38	0.91	13.10
17	14.38	0.89	12.84	14.38	0.91	13.01
18	14.38	0.89	12.75	14.38	0.90	12.93
19	14.38	0.88	12.67	14.38	0.89	12.84
20	14.38	0.88	12.59	14.38	0.89	12.75
21	14.38	0.87	12.50	14.38	0.88	12.67
22	14.38	0.86	12.42	14.38	0.88	12.59
23	14.38	0.86	12.34	14.38	0.87	12.50
24	14.38	0.85	12.26	14.38	0.86	12.42
25	14.38	0.85	12.17	14.38	0.86	12.34
26	14.38	0.84	12.09	14.38	0.85	12.26

27	14.38	0.84	12.01	14.38	0.85	12.17
28	14.38	0.83	11.93	14.38	0.84	12.09
29	14.38	0.82	11.86	14.38	0.84	12.01
30	14.38	0.82	11.78	14.38	0.83	11.93
31	14.38	0.81	11.70	14.38	0.82	11.86
32	14.38	0.81	11.62	14.38	0.82	11.78
33	14.38	0.80	11.54	14.38	0.81	11.70
34	14.38	0.80	11.47	14.38	0.81	11.62
35	14.38	0.79	11.39	14.38	0.80	11.54
36	14.38	0.79	11.32	14.38	0.80	11.47
37	14.38	0.78	11.24	14.38	0.79	11.39
38	14.38	0.78	11.17	14.38	0.79	11.32
39	14.38	0.77	11.09	14.38	0.78	11.24
40	14.38	0.77	11.02	14.38	0.78	11.17
41	14.38	0.76	10.95	14.38	0.77	11.09
42	14.38	0.76	10.87	14.38	0.77	11.02
43	14.38	0.75	10.80	14.38	0.76	10.95
44	14.38	0.75	10.73	14.38	0.76	10.87
45	14.38	0.74	10.66	14.38	0.75	10.80
46	14.38	0.74	10.59	14.38	0.75	10.73
47	14.38	0.73	10.52	14.38	0.74	10.66
48	14.38	0.73	10.45	14.38	0.74	10.59
49	14.38	0.72	10.38	14.38	0.73	10.52
50	14.38	0.72	10.31	14.38	0.73	10.45
51	14.38	0.71	10.24	14.38	0.72	10.38
52	14.38	0.71	10.18	14.38	0.72	10.31
53	14.38	0.70	10.11	14.38	0.71	10.24
54	14.38	0.70	10.04	14.38	0.71	10.18
55	14.38	0.69	9.97	14.38	0.70	10.11
56	14.38	0.69	9.91	14.38	0.70	10.04

57	14.38	0.68	9.84	14.38	0.69	9.97
58	14.38	0.68	9.78	14.38	0.69	9.91
59	14.38	0.68	9.71	14.38	0.68	9.84
60	14.38	0.67	9.65	14.38	0.68	9.78
61	14.38	0.67	9.58	14.38	0.68	9.71
62	14.38	0.66	9.52	14.38	0.67	9.65
63	14.38	0.66	9.46	14.38	0.67	9.58
64	14.38	0.65	9.40	14.38	0.66	9.52
65	14.38	0.65	9.33	14.38	0.66	9.46
66	14.38	0.64	9.27	14.38	0.65	9.40
67	14.38	0.64	9.21	14.38	0.65	9.33
68	14.38	0.64	9.15	14.38	0.64	9.27
69	14.38	0.63	9.09	14.38	0.64	9.21
70	14.38	0.63	9.03	14.38	0.64	9.15
71	14.38	0.62	8.97	14.38	0.63	9.09
72	14.38	0.62	8.91	14.38	0.63	9.03
73	14.38	0.62	8.85	14.38	0.62	8.97
74	14.38	0.61	8.79	14.38	0.62	8.91
75	14.38	0.61	8.73	14.38	0.62	8.85
76	14.38	0.60	8.68	14.38	0.61	8.79
77	14.38	0.60	8.62	14.38	0.61	8.73
78	14.38	0.60	8.56	14.38	0.60	8.68
79	14.38	0.59	8.50	14.38	0.60	8.62
80	14.38	0.59	8.45	14.38	0.60	8.56
81	14.38	0.58	8.39	14.38	0.59	8.50
82	14.38	0.58	8.34	14.38	0.59	8.45
83	14.38	0.58	8.28	14.38	0.58	8.39
84	14.38	0.57	8.23	14.38	0.58	8.34
85	14.38	0.57	8.17	14.38	0.58	8.28
86	14.38	0.56	8.12	14.38	0.57	8.23

87	14.38	0.56	8.06	14.38	0.57	8.17
88	14.38	0.56	8.01	14.38	0.56	8.12
89	14.38	0.55	7.96	14.38	0.56	8.06
90	14.38	0.55	7.90	14.38	0.56	8.01
91	14.38	0.55	7.85	14.38	0.55	7.96
92	14.38	0.54	7.80	14.38	0.55	7.90
93	14.38	0.54	7.75	14.38	0.55	7.85
94	14.38	0.54	7.70	14.38	0.54	7.80
95	14.38	0.53	7.65	14.38	0.54	7.75
96	14.38	0.53	7.60	14.38	0.54	7.70
97	0.00			14.38	0.53	7.65
98	0.00			14.38	0.53	7.60
<b>Total amount paid upfront</b>					<b>2033.72</b>	
<b><math>P = M \times (1 - (1 / (1 + (r/12)) ^ n)) / (r/12)</math></b>					<b>2033.72</b>	

**Assuming quoted annual discount rate of 7.75%**

(all figures in INR crore, unless specified)

Period	Tranche 1	Discount rate	Discounted value for tranche 1	Tranche 2	Discount rate	Discounted value for tranche 2
1	14.38	0.99	14.28		1.00	0.00
2	14.38	0.99	14.19		1.00	0.00
3	14.38	0.98	14.10	14.38	0.99	14.28
4	14.38	0.97	14.01	14.38	0.99	14.19
5	14.38	0.97	13.92	14.38	0.98	14.10
6	14.38	0.96	13.83	14.38	0.97	14.01
7	14.38	0.96	13.74	14.38	0.97	13.92
8	14.38	0.95	13.65	14.38	0.96	13.83
9	14.38	0.94	13.57	14.38	0.96	13.74
10	14.38	0.94	13.48	14.38	0.95	13.65
11	14.38	0.93	13.39	14.38	0.94	13.57

12	14.38	0.93	13.31	14.38	0.94	13.48
13	14.38	0.92	13.22	14.38	0.93	13.39
14	14.38	0.91	13.14	14.38	0.93	13.31
15	14.38	0.91	13.05	14.38	0.92	13.22
16	14.38	0.90	12.97	14.38	0.91	13.14
17	14.38	0.90	12.88	14.38	0.91	13.05
18	14.38	0.89	12.80	14.38	0.90	12.97
19	14.38	0.88	12.72	14.38	0.90	12.88
20	14.38	0.88	12.64	14.38	0.89	12.80
21	14.38	0.87	12.56	14.38	0.88	12.72
22	14.38	0.87	12.48	14.38	0.88	12.64
23	14.38	0.86	12.40	14.38	0.87	12.56
24	14.38	0.86	12.32	14.38	0.87	12.48
25	14.38	0.85	12.24	14.38	0.86	12.40
26	14.38	0.85	12.16	14.38	0.86	12.32
27	14.38	0.84	12.08	14.38	0.85	12.24
28	14.38	0.84	12.00	14.38	0.85	12.16
29	14.38	0.83	11.93	14.38	0.84	12.08
30	14.38	0.82	11.85	14.38	0.84	12.00
31	14.38	0.82	11.77	14.38	0.83	11.93
32	14.38	0.81	11.70	14.38	0.82	11.85
33	14.38	0.81	11.62	14.38	0.82	11.77
34	14.38	0.80	11.55	14.38	0.81	11.70
35	14.38	0.80	11.48	14.38	0.81	11.62
36	14.38	0.79	11.40	14.38	0.80	11.55
37	14.38	0.79	11.33	14.38	0.80	11.48
38	14.38	0.78	11.26	14.38	0.79	11.40
39	14.38	0.78	11.18	14.38	0.79	11.33
40	14.38	0.77	11.11	14.38	0.78	11.26
41	14.38	0.77	11.04	14.38	0.78	11.18

42	14.38	0.76	10.97	14.38	0.77	11.11
43	14.38	0.76	10.90	14.38	0.77	11.04
44	14.38	0.75	10.83	14.38	0.76	10.97
45	14.38	0.75	10.76	14.38	0.76	10.90
46	14.38	0.74	10.69	14.38	0.75	10.83
47	14.38	0.74	10.62	14.38	0.75	10.76
48	14.38	0.73	10.55	14.38	0.74	10.69
49	14.38	0.73	10.49	14.38	0.74	10.62
50	14.38	0.72	10.42	14.38	0.73	10.55
51	14.38	0.72	10.35	14.38	0.73	10.49
52	14.38	0.72	10.29	14.38	0.72	10.42
53	14.38	0.71	10.22	14.38	0.72	10.35
54	14.38	0.71	10.15	14.38	0.72	10.29
55	14.38	0.70	10.09	14.38	0.71	10.22
56	14.38	0.70	10.02	14.38	0.71	10.15
57	14.38	0.69	9.96	14.38	0.70	10.09
58	14.38	0.69	9.90	14.38	0.70	10.02
59	14.38	0.68	9.83	14.38	0.69	9.96
60	14.38	0.68	9.77	14.38	0.69	9.90
61	14.38	0.68	9.71	14.38	0.68	9.83
62	14.38	0.67	9.64	14.38	0.68	9.77
63	14.38	0.67	9.58	14.38	0.68	9.71
64	14.38	0.66	9.52	14.38	0.67	9.64
65	14.38	0.66	9.46	14.38	0.67	9.58
66	14.38	0.65	9.40	14.38	0.66	9.52
67	14.38	0.65	9.34	14.38	0.66	9.46
68	14.38	0.65	9.28	14.38	0.65	9.40
69	14.38	0.64	9.22	14.38	0.65	9.34
70	14.38	0.64	9.16	14.38	0.65	9.28
71	14.38	0.63	9.10	14.38	0.64	9.22

72	14.38	0.63	9.04	14.38	0.64	9.16
73	14.38	0.63	8.98	14.38	0.63	9.10
74	14.38	0.62	8.93	14.38	0.63	9.04
75	14.38	0.62	8.87	14.38	0.63	8.98
76	14.38	0.61	8.81	14.38	0.62	8.93
77	14.38	0.61	8.76	14.38	0.62	8.87
78	14.38	0.61	8.70	14.38	0.61	8.81
79	14.38	0.60	8.64	14.38	0.61	8.76
80	14.38	0.60	8.59	14.38	0.61	8.70
81	14.38	0.59	8.53	14.38	0.60	8.64
82	14.38	0.59	8.48	14.38	0.60	8.59
83	14.38	0.59	8.42	14.38	0.59	8.53
84	14.38	0.58	8.37	14.38	0.59	8.48
85	14.38	0.58	8.32	14.38	0.59	8.42
86	14.38	0.57	8.26	14.38	0.58	8.37
87	14.38	0.57	8.21	14.38	0.58	8.32
88	14.38	0.57	8.16	14.38	0.57	8.26
89	14.38	0.56	8.11	14.38	0.57	8.21
90	14.38	0.56	8.05	14.38	0.57	8.16
91	14.38	0.56	8.00	14.38	0.56	8.11
92	14.38	0.55	7.95	14.38	0.56	8.05
93	14.38	0.55	7.90	14.38	0.56	8.00
94	14.38	0.55	7.85	14.38	0.55	7.95
95	14.38	0.54	7.80	14.38	0.55	7.90
96	14.38	0.54	7.75	14.38	0.55	7.85
97	0.00			14.38	0.54	7.80
98	0.00			14.38	0.54	7.75
<b>Total amount paid upfront</b>					<b>2052.11</b>	
<b><math>P = M \times (1 - (1/(1+(r/12))^n))/(r/12)</math></b>					<b>2052.11</b>	

## Annexure-III

### Indicative monthly payout in first year to bidders provided disbursement happened in two tranches – 1<sup>st</sup> February 2024 and 15 March 2024

#### 1. Discounting rate of 8.0% p.a.

(all figures in INR crore, unless specified)

End of period	Period	Tranche 1	Tranche 2	Break period interest	Monthly Free Cash Credit - Tranche 1	Monthly Free Cash Credit - Tranche 2	Interest - Tranche 1	Interest Tranche 2	Amount adjusted against Principle - Tranche 1	Amount adjusted against Principle - Tranche 2	Closing Principal - Tranche 1	Closing Principal - Tranche 2	Excess/ Reduced Interest in lieu of DR reset*	Total Pay-out
				A	B	C	D	E	F=B-D	G=C-E			H	I = A+B+C+H
29-02-2024	1	1016.86			14.38		6.78		7.60		1009.26			14.38
31-03-2024	2	1009.26	1016.86	3.50	14.38		6.73		7.65		1001.62	1016.86		17.87
30-04-2024	3	1001.62	1016.86		14.38	14.38	6.68	6.78	7.70	7.60	993.92	1009.26		28.75
31-05-2024	4	993.92	1009.26		14.38	14.38	6.63	6.73	7.75	7.65	986.17	1001.62		28.75
30-06-2024	5	986.17	1001.62		14.38	14.38	6.57	6.68	7.80	7.70	978.37	993.92		28.75
31-07-2024	6	978.37	993.92		14.38	14.38	6.52	6.63	7.85	7.75	970.52	986.17		28.75
31-08-2024	7	970.52	986.17		14.38	14.38	6.47	6.57	7.90	7.80	962.61	978.37		28.75
30-09-2024	8	962.61	978.37		14.38	14.38	6.42	6.52	7.96	7.85	954.66	970.52		28.75
31-10-2024	9	954.66	970.52		14.38	14.38	6.36	6.47	8.01	7.90	946.64	962.61	0.16	28.91
30-11-2024	10	946.64	962.61		14.38	14.38	6.31	6.42	8.06	7.96	938.58	954.66	0.16	28.91
31-12-2024	11	938.58	954.66		14.38	14.38	6.26	6.36	8.12	8.01	930.46	946.64	0.16	28.91
31-01-2025	12	930.46	946.64		14.38	14.38	6.20	6.31	8.17	8.06	922.29	938.58	0.16	28.91
28-02-2025	13	922.29	938.58		14.38	14.38	6.15	6.26	8.23	8.12	914.06	930.46	0.16	28.91

**Note:**

- The above computations are indicative considering (a) Securitization Facility of INR 2,033.72 Crore (b) Fixed monthly Free cash payout of INR 28.75 Crore aggregating to INR 345 Crore per year (c) Discounting rate of 8.0% p.a.
- With subsequent reset of Discounting Rate linked to respective benchmark rate, additional credit to EA will be made by NHPC in case of any increase in monthly outflows on account of change in respective Benchmark Rate, while in case of decrease in monthly outflows due to decrease in Benchmark Rate, then the Fixed Component shall be reduced accordingly and same shall be credited to the EA.
- Prepayment shall be allowed after 28.02.2025. In case prepayment is done after 12 months from disbursement of second tranche, NHPC shall repay pay INR 1,844.52 Cr.

\* Interest reset assumed after 8 months i.e., discounting Rate increased by 0.10% p.a. from 9<sup>th</sup> month (from 1<sup>st</sup> October 2024). Payout to be computed in the similar manner for entire tenor.

## 2. Discounting rate of 7.75% p.a.

(all figures in INR crore, unless specified)

End of period	Period	Tranche 1	Tranche 2	Break period interest	Monthly Free Cash Credit - Tranche 1	Monthly Free Cash Credit - Tranche 2	Interest - Tranche 1	Interest Tranche 2	Amount adjusted against Principle - Tranche 1	Amount adjusted against Principle - Tranche 2	Closing Principal - Tranche 1	Closing Principal - Tranche 2	Excess/ Reduced Interest in lieu of DR reset*	Total Pay-out
				A	B	C	D	E	F=B-D	G=C-E			H	I = A+B+C+H
29-02-2024	1	1026.06			14.38		6.63		7.75		1018.31			14.38
31-03-2024	2	1018.31	1026.06	3.42	14.38		6.58		7.80		1010.51	1026.06		17.80
30-04-2024	3	1010.51	1026.06		14.38	14.38	6.53	6.63	7.85	7.75	1002.66	1018.31		28.75
31-05-2024	4	1002.66	1018.31		14.38	14.38	6.48	6.58	7.90	7.80	994.76	1010.51		28.75
30-06-2024	5	994.76	1010.51		14.38	14.38	6.42	6.53	7.95	7.85	986.81	1002.66		28.75
31-07-2024	6	986.81	1002.66		14.38	14.38	6.37	6.48	8.00	7.90	978.81	994.76		28.75
31-08-2024	7	978.81	994.76		14.38	14.38	6.32	6.42	8.05	7.95	970.75	986.81		28.75
30-09-2024	8	970.75	986.81		14.38	14.38	6.27	6.37	8.11	8.00	962.65	978.81		28.75
31-10-2024	9	962.65	978.81		14.38	14.38	6.22	6.32	8.16	8.05	954.49	970.75	0.16	28.91
30-11-2024	10	954.49	970.75		14.38	14.38	6.16	6.27	8.21	8.11	946.28	962.65	0.16	28.91
31-12-2024	11	946.28	962.65		14.38	14.38	6.11	6.22	8.26	8.16	938.02	954.49	0.16	28.91
31-01-2025	12	938.02	954.49		14.38	14.38	6.06	6.16	8.32	8.21	929.70	946.28	0.16	28.91
28-02-2025	13	929.70	946.28		14.38	14.38	6.00	6.11	8.37	8.26	921.33	938.02	0.16	28.91

### Note:

- The above computations are indicative considering (a) Securitization Facility of INR 2,052.11 Crore (b) Fixed monthly Free cash payout of INR 28.75 Crore aggregating to INR 345 Crore per year (c) Discounting rate of 7.75% p.a.
- With subsequent reset of Discounting Rate linked to respective benchmark rate, additional credit to EA will be made by NHPC in case of any increase in monthly outflows on account of change in respective Benchmark Rate, while in case of decrease in monthly outflows due to decrease in Benchmark Rate, then the Fixed Component shall be reduced accordingly and same shall be credited to the EA.
- Prepayment shall be allowed after 28.02.2025. In case prepayment is done after 12 months from disbursement of second tranche, NHPC shall repay

pay INR 1,859.35 Cr.

\* Interest reset assumed after 8 months i.e., discounting Rate increased by 0.10% p.a. from 9<sup>th</sup> month (1<sup>st</sup> October 2024). Payout to be computed in the similar manner for entire tenor.

## Annexure-IV

### PRICE SCHEDULE (To be uploaded online only)

Subject: Quotation of monetization of Free Cash of Kishanganga Power Station for next 8-year period

Amount of Free Cash to be securitized (INR in Crore)	Benchmark (Overnight/ 1 month/ 3-month MCLR / 1 month / 3-Month T-bill rate/Repo rate / 1/5/10 years G-Sec rates	Benchmark rate* (p.a.)	Spread (p.a.)	Effective Rate (p.a.) i.e., Discounting Rate (DR)	Amount of Securitization Facility to be provided by the Bidder** (INR in Crore)
2,760					

For  
information  
only

**Signature and Seal of the Authorized Person of Bidder**

**Notes:**

\*Benchmark rate for the quoted Discounting Rate shall be one of the following:

- Overnight/ 1 month/ 3-month MCLR of respective banks/FI
- 1 month / 3-Month T-bill rate (FBIL website)
- Repo rate as announced by RBI from time to time.
- G- Sec rate (1/5/10 years) (YTM % p.a. (Annualized)), Par Yield, on FBIL website

*\*\*In case of any variation in the Securitization Facility indicated by the Bidder and the Securitization Facility as computed by the given formula at section J of RFQ, the amount of Securitization Facility computed as per the formula shall prevail.*

- The Benchmark rate to be mentioned in the quote shall be the latest rate available on the FBIL website for 1/3 months T-bill, 1/5/10years G-Sec rates YTM % p.a. (Annualised) Par Yield), Repo Rate on RBI site, overnight/1/3 months MCLR notified by respective bank, 3 working days prior to the last date for bid submission. For example, for January 19, 2024, as the last date for bid submission, latest rates available on January 15, 2024, should be mentioned. If the benchmark rate is not available on the applicable said date, then benchmark rate of previous date shall be considered.
- The Spread shall remain fixed throughout the Tenor of the Facility.
- The quoted rate shall be for the purpose of evaluation.
- The applicable discount rate from the date of disbursement till date of first reset, shall be the rate determined by one day prior benchmark rate and spread as quoted by bidder.

**FORMAT OF DECLARATION FOR SUBMISSION BID**

*(To be executed on Letterhead of the Sole Bidder)*

No: .....  
To  
M/s NHPC Ltd.

Date: .....

**Name of contract: "Monetization of Free Cash of Kishanganga Power Station-I for next 8 years."**

I hereby submit that the bid submitted by the undersigned, on behalf of the bidder, [Name of the bidder], shall not be withdrawn or varied during the period of validity i.e., not less than 60 (Sixty) days from the last date of submission of bid.

I hereby submit that the bid is being submitted for the full amount of securitization facility as given in para-J (iv) above. However, In the event more than one bidder quote the same lowest discounting rate (p.a.), the company shall have right to equally divide the amount of securitization facility among the bidders quoting the same lowest discounting rate.

I further submit that undersigned is authorized to sign and submit this bid under the internal guidelines of the Bidder.

Place:  
Date:

(Signature of the authorized signatory)

Name:  
Designation:

(Official-Seal)

Note:

\*Bid Declaration should be on the letterhead of the bidder and should be signed by a person competent and authorized to do so. Power of Attorney in favor of this person to do so maybe enclosed with the bid.

**ESCROW ACCOUNT AGREEMENT**

THIS **ESCROW ACCOUNT AGREEMENT** ("**Agreement**") is made at [●]<sup>1</sup> on this [●] day of [●] 2024 ("**Execution Date**") by and between:

**NHPC LIMITED**, a public limited company incorporated and registered under the Companies Act 1956 and an existing company within Companies Act, 2013, having its corporate identification number L40101HR1975GOI032564 with its registered office at NHPC office complex, Sector 33 Faridabad, Haryana-121003 (hereinafter referred to as the "**Company**", which expression shall unless it be repugnant to the context or meaning thereof, includes its successors and permitted assigns) of the **FIRST PART**;

**AND**

[●] a company incorporated under the [Companies Act, 2013] or [Companies Act, 1956 and an existing company within Companies Act, 2013], with Corporate Identity Number [●] and having its registered office at [●] in its capacity as Investor acting through its authorized officers (hereinafter referred to as the "**Investor**", which expression shall, unless repugnant to the subject, context hereof, include its successors and assigns) of the **SECOND PART**<sup>2</sup>

**AND**

[●]<sup>3</sup>, a public limited company incorporated and registered under the Companies Act, 1956 having its corporate identification number [●] and registered office at [●] and having its branch office at [●] (hereinafter referred to as "**Escrow Bank**" which expression shall, wherever the context admits or requires be deemed to mean and include its successors and assigns) of the Third Part.

The Company, the Investor and the Escrow Bank are hereinafter collectively referred to as the "**Parties**" and individually as "**Party**".

WHEREAS:

A. The Company is a hydropower company in India and engaged in designing, constructing and operating hydropower plants including Kishanganga Power Station set up on river Kishanganga in Bandipora district of Jammu and Kashmir (the "**PowerStation**").

B. The Company has approached the Investor for securitization of its return on the investment earned from the Power Station, and the Investor has agreed to make available to the Company the facility of an aggregate principal amount not exceeding Rs. [●] (Rupees [●])<sup>4</sup>(the "**Facility**") on the terms and conditions contained in the Sanction Letter (as defined hereinafter) and the facility agreement dated [●] entered by and between the Company and the Investor ("**Facility Agreement**").

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<sup>1</sup> Insert place of execution

<sup>2</sup> The name clause of the Investor is to be settled as per the result of bidding process. Depending upon the constitution of the Investor, NHPC may use the aforesaid name clause or the following name clauses as applicable:

[●], a statutory corporation constituted under the [●] Act, [●] having its corporate office at [●] acting through its office at [●]; or [●], a company incorporated under the Companies Act, [●] and a banking company within the meaning of section 5(c) of the Banking Regulation Act, 1949 and having its registered office at [●].

<sup>3</sup> Depending upon the constitution of the Escrow Bank, NHPC may use the aforesaid name clause or the following name clauses as applicable:

[●], a statutory corporation constituted under the [●] Act, [●] having its corporate office at [●] acting through its office at [●];

'or'

[●], a company incorporated under the Companies Act, [●] and a banking company within the meaning of section 5(c) of the Banking Regulation Act, 1949 and having its registered office at [●].

<sup>4</sup> The Facility amount is to be populated based on discounting rate quoted by the winning bidder as per the formula mentioned quoted by it.

C. One of the conditions for the Investor agreeing to grant the Facility to the Company is that the Company shall open and maintain the Escrow Account (as defined hereinafter) and the Receivables (as defined hereinafter) shall be deposited into the Escrow Account and dealt with in the manner and priority stipulated herein. The Company has agreed that the Receivables accruing from or in relation to the Power Station shall be deposited in the Escrow Account in accordance with the terms and conditions herein contained.

D. At the request of the Company and Investor, [●] has agreed to act as Escrow Bank for the Investor and accordingly, the Company has provided to the Escrow Bank all relevant documentation for the establishment of the Escrow Account.

E. The Parties desire to execute these presents to record the establishment, operation and administration of the Escrow Account and distribution of Receivables and matters incidental thereto.

**NOW, THEREFORE**, in consideration of the foregoing and the respective covenants and agreements set forth in this Agreement and other good and valid considerations, the receipt and adequacy of which are hereby expressly acknowledged and intending to be legally bound hereby, the Parties hereby agree as follows:

#### ARTICLE I DEFINITIONS AND INTERPRETATION

1.1. In addition to the terms defined in (i) the recitals to the Agreement; (ii) elsewhere in the Agreement, the capitalized terms shall have the meanings set forth in Schedule I hereto; and (iii) the terms used herein and not defined under this Agreement then such term (s) shall have the same meaning as assigned to it/ them under the Facility Agreement.

#### ARTICLE II ESTABLISHMENT OF THE ESCROW ACCOUNT

2.1. The Company shall open and maintain the Escrow Account with the Escrow Bank so long as any amount is due to the Investor under the Facility Documents.

2.2 The Company hereby settles in trust with the Escrow Bank (acting for the benefit of the Investor) the sum of Rs. 1,000/- (Rupees One Thousand only). The Company also hereby declares that all right, title and interest in the Escrow Account shall be vested in the Escrow Bank and held in trust for the benefit of the Investor in accordance with the terms of this Agreement. The Escrow Bank hereby accepts the above amount of Rs. 1,000/- (Rupees One Thousand only) in the trust hereby declared and provided upon the terms and conditions set forth in this Agreement. Amounts deposited in the Escrow Account from time to time shall be held in trust, received, and applied as provided in this Agreement. No Person other than the Investor shall have any right hereunder as the beneficiary of or as third-party beneficiary under this Agreement.

2.3 The Escrow Bank shall, save as otherwise provided herein, maintain the Escrow Account in accordance with the terms of this Agreement and its usual practices and Applicable Laws and, if permitted by Applicable Laws, pay the maximum rate of interest payable to its customers on the balance from time to time as agreed amongst the Investor, the Company and the Escrow Bank from time to time.

2.4 The Escrow Bank, Company and the Investor shall agree on the designated mandates, terms and conditions and operating procedures for the Escrow Account but in the event of any inconsistency between this Agreement and such mandates, terms and conditions or procedures of this Agreement shall prevail.

2.5 The Investor shall be permitted to instruct the Escrow Bank to make transfers to and from the Escrow Account at any time in accordance with the terms of this Agreement.

2.6 Notwithstanding any of the other provisions of this Agreement, Investor may in the Event of Default issue a notice to the Escrow Bank to (i) draw on any margins and balances in the Escrow Account, or (ii) instruct the Escrow Bank to ensure that no withdrawals/transfers take place from the Escrow

Account.

### ARTICLE III OPERATION OF THE ESCROW ACCOUNT

3.1 (a) The Investor shall have an exclusive right over the Receivables, the Escrow Account together with all other monies lying in the Escrow Account.

(b) The Escrow Account shall be held by the Escrow Bank to order of the Investor and shall be operated in terms of this Agreement.

(c) The Company shall deposit the Receivables 2 (two) prior to the Due Dates and the same shall be utilized/appropriated in accordance with Schedule II of this Agreement.

(d) The Company shall intimate to the Escrow Bank regarding the total amount to be transferred on the Due Date from the Escrow Account in the account of the Investor pursuant to and in accordance with Clause 3.1 (c) above.

(e) The Escrow Bank confirms that it has received all the approvals and authorizations and consents in relation to the operation and maintenance of the Escrow Account.

(f) The Escrow Bank confirms that upon the receipt of notice from the Investor intimating it of an occurrence of an Event of Default, the Escrow Bank shall cease to transfer/allow withdrawals of any amounts from the Escrow Account and shall operate the Escrow Account as per the instructions received from the Investor.

(g) The Company shall continue to maintain and shall not close the Escrow Account so long as any amount is due to the Investor under the Facility Documents and till such time that the Investor advises the Company and the Escrow Bank in writing that all amounts have been duly received by the Investor and that no other amounts is due and payable by the Company to the Investor under the Facility Documents.

(h) The Company shall not create any charge, lien, or any encumbrance whatsoever on the Receivables or the Escrow Account, without the prior written express consent of the Investor.

(i) The Escrow Bank shall not contest or claim any right or set-off or lien on any balance lying to the credit of the Escrow Account for the payment against any indebtedness or liability or claim whatsoever of the Company to the Escrow Bank other than that specified in the Agreement.

(j) Notwithstanding anything contrary contained in this Agreement, the Investor shall by written notice to the Escrow Bank, have an exclusive authority to demand at any point of time suspension of all withdrawals from the Escrow Account and demand that all balances /future deposits to be transferred to Investor's notified account.

### ARTICLE IV ACCOUNTING SYSTEM AND ACCESS TO RECORDS

4.1 The Company shall maintain an adequate and separate accounting system in connection with its management and operation of the Power Station. The books and records shall be kept in accordance with the extant accounting standards and shall be maintained at all times either on the Power Station's site or at the principal office of the Company.

4.2 The Company irrevocably authorizes the Escrow Bank to provide a statement of the Escrow Account monthly on any appropriate date of every calendar month to the Investor.

### ARTICLE V REPRESENTATIONS AND WARRANTIES

5.1 By executing the Agreement, the Company makes the Company's Representations and Warranties to the Investor.

5.2 The Account Bank hereby represent and warrant that it is duly organized and validly existing under the laws of India with power to enter into this Agreement and to exercise its rights and perform its obligations hereunder. It has taken all corporate and other actions required for the execution of this Agreement and the performance of its obligations hereunder. The Account Bank further represents and warrants that it shall hold all funds in the Escrow Account on trust and in accordance with the provisions of the Agreement and further represents and warrants that it has obtained all approvals, permits and other clearances required for the execution of this Agreement and the performance of its obligations hereunder.

Subject to the other provisions of this Agreement and the obligations of the Account Bank as contained in this Agreement, the Account Bank shall give such care to the Escrow Account and the amounts lying in the Escrow Account as it gives in respect of the other similar accounts held with it and the monies lying therein.

#### ARTICLE VI CONSEQUENCES OF EVENTS OF DEFAULT

6.1 The Escrow Bank, at any time but no later than 1 (one) calendar day after the written notification by the Investor of the occurrence of an Event of Default, shall act in accordance with the instructions of the Investor. These instructions may include to draw on any margins and balances in the Escrow Account and to ensure that no withdrawals/transfers take place from the Escrow Account without the consent of the Investor.

#### ARTICLE VII ESCROW BANK

7.1 The Investor hereby appoint [●] as the Escrow Bank to act as its agent and trustee in connection herewith, and authorize the Escrow Bank to exercise such rights, power, authorities, and discretion as are specially delegated to the Escrow Bank by the terms hereof together with all such rights, powers, authorities, and discretion as are reasonably incidental hereto, and the Escrow Bank accepts such appointment pursuant to the terms thereof.

7.2 The Escrow Bank:

(a) may, in the absence of bad faith, willful misconduct or gross negligence on its part, rely as to any matters of fact, which might reasonably be expected to be within the knowledge of the Investor upon a certificate signed by or on behalf of the Investor;

(b) may, in the absence of bad faith, willful misconduct or gross negligence on its part, rely upon the authenticity of any communication or documents believed by it to be authentic;

(c) shall, within 7 (seven) Business Days after receipt, deliver a copy to the Investor of any notice or document received by it in its capacity as the Escrow Bank from the Company or any other Person hereunder or in connection herewith;

(d) shall, within 7 (seven) Business Days after receipt, deliver a copy to the Company of any notice or document received by it from the Investor or any other Person hereunder or in connection herewith; and

(e) shall, if by the terms of this Agreement is required to perform any act on or within a period ending on a public holiday being a public holiday under Section 25 of the Negotiable Instrument Act, 1881 (26 of 1881) at New Delhi, perform the act on or by the immediately preceding Business Day.

7.3 Monies received by the Escrow Bank under this Agreement shall, until used or applied in accordance with this Agreement, be held in trust for the purpose for which they were received and shall be segregated from other funds and property of the Escrow Bank.

7.4 This Agreement shall remain in full force and effect so long as amounts remain outstanding under the Facility Documents, unless terminated earlier by the mutual consent of the Parties.

7.5 Save and except as permitted under clause 9.2 (a) below, the Company shall not be entitled to terminate this Agreement.

7.6 The Company shall pay to the Escrow Bank, fees for service(s) rendered by the Escrow Bank in terms of these presents and at such times as may be agreed between the Escrow Bank and the Company.

## ARTICLE VIII CONFIDENTIALITY

8. The Parties to this Agreement will further maintain utmost confidentiality regarding the contents of this Agreement at all times and they shall not make any announcement to the public or to any third party regarding the arrangements contemplated by this Agreement without the consent of the Parties involved, such consent not to be unreasonably withheld provided that the Parties to this Agreement shall not be liable for disclosure or use of any confidential information if the same is required to be disclosed by law or regulation pursuant to the legal process or such disclosure is required pursuant to a request from a regulatory or statutory authority.

## ARTICLE IX RESIGNATION, TERMINATION AND SUBSTITUTION

### 9.1 Resignation

(a) The Escrow Bank may, at any time, resign, without assigning any reason therefore, by giving not less than 30 (thirty) days' prior written notice to that effect to the Investor and the Company.

(b) On receipt of notice of resignation, the Company shall, with prior intimation of the Investor appoint the new escrow bank ("Substitute Escrow Bank") acceptable to the Investor within 30 (thirty) days of the receipt of the notice of resignation.

The resignation/removal of the Escrow Bank and any appointment of the Substitute Escrow Bank shall only become effective when the Substitute Escrow Bank notifies all the Parties that it accepts its appointment. On giving the notification, the Substitute Escrow Bank shall succeed to the position of the Escrow Bank in this Agreement by way of (1) a deed of accession and the term Escrow Bank in this Agreement shall thereafter mean the Substitute Escrow Bank, and/or (2) execution of a new escrow account agreement with the new Escrow Bank, as may be required by the Parties.

Provided that if no suitable Substitute Escrow Bank, is found within a period of 30 (thirty) days, the Escrow Bank shall continue in its role till the expiry of the 30 (thirty) days period set-out in Article 9.1 (a) above and shall, thereafter, if no Substitute Escrow Bank has been appointed, issue an instrument for the entire amount lying to the credit of the Escrow Account in favor of the Investor and hand-over the same to the Investor and thereafter close the Escrow Account.

### 9.2 Termination of Services

(a) The services of the Escrow Bank may be terminated by the Company with the prior written consent of the Investor by giving not less than 30 (thirty) days' prior written notice to that effect to the Escrow Bank.

(b) Following the notice of termination issued pursuant to the preceding Article 9.2 (a) above, the Company shall, in consultation with the Investor forthwith appoint a Substitute Escrow Bank and shall establish a new escrow account.

### 9.3 Changeover

The resignation or termination of services of the Escrow Bank shall be effective and the process of change-over shall be completed only upon the transfer of proceeds in the Escrow Account to the Substitute Escrow Bank or by issuance and handing-over of an instrument in accordance with the proviso to Article 9.1 (b) above, as the case may be.

## ARTICLE X MISCELLANEOUS

### 10.1 Closure of Escrow Account

The Escrow Bank shall, at the request of the Investor made on or after the payment by the Company of all outstanding amounts under the Facility Documents and this Agreement, close the Escrow Account and pay any amount standing to the credit thereof to the Company.

### 10.2 Restriction on Assignment

The Company and Escrow Bank shall not assign or transfer any part of their respective rights or obligations under this Agreement without the prior consent of the Investor. The Investor reserves the right to assign its rights and obligations herein in favor of a new investor, provided that such new investor was identified as an eligible investor in terms of the Bid Documents. The Company is not entitled to assign any of its respective rights or obligations under any of the Facility Documents, without the consent of the Investor.

### 10.3 No Set Off

The Escrow Bank agrees not to claim or exercise any right of set off, banker's lien or other right or remedy with respect to amounts standing to the credit of the Escrow Account.

For the avoidance of doubt, it is declared by the Company that subject to the Applicable Laws, the monies held by the Escrow Bank, until all the dues under the Facility Documents have been duly paid to the Investors, shall not be considered as part of the assets of the Company or the Escrow Bank and being trust property, shall in the case of a bankruptcy or liquidation of the Company or the Escrow Bank be wholly excluded from the assets of the Company or the Escrow Bank in such bankruptcy or liquidation.

### 10.4 Notices

All notices, requests, consents, demands or other communication required or permitted to be given under the Agreement and the provisions contained herein shall be written in English and shall be sent by email, registered post, postage prepaid, or transmitted by facsimile transmission or couriered to the other Party at the address indicated in Schedule III hereto or at such other address as the Party to whom such notices, requests, demands or other communication is to be given shall have last notified the Party giving the same in the manner provided in this clause, but no such change of address shall be deemed to have been given until it is delivered or deemed to be delivered in accordance with this clause 10.4

Any notice, request, demand or other communication delivered to the Party to whom it is addressed as provided in this clause 10.2 shall be deemed (unless there is evidence that it has been received earlier) to have been given and received, if- (i) sent by mail, five (5) calendar days after posting it; (ii) sent by courier, when received at the Party's physical address;(iii) sent by facsimile, when confirmation of its transmission has been recorded by the sender's facsimile machine; and (iv) if sent by e-mail, when it is sent provided the sender does not receive an "undeliverable" message (if sent during business hours) or (if not sent during business hours) at the beginning of business hours next following the time of sending of the e-mail.

### 10.5 Severability

If, at any time, any provision of the Agreement is or becomes illegal, invalid, or unenforceable in any respect, neither the legality, validity or enforceability of the remaining provisions will in any way be affected or impaired.

### 10.6 Amendments

No amendment to this Agreement shall be binding unless in writing and signed by the duly authorized

representatives of the Parties.

#### 10.7 Governing Law and Dispute Resolution

This Agreement shall be governed and construed in accordance with the laws of India. The courts, tribunals at Faridabad shall have an exclusive jurisdiction in respect of all the matters arising out of /in relation to this Agreement.

#### 10.8 Indemnity

(a) The Company undertakes to defend, indemnify and hold harmless the Investor and the Escrow Bank and their respective officers, directors, employees, affiliates, advisors, agents and controlling Persons (each, an "Indemnified Party") from and against any and all losses, claims, liabilities, damages and expenses, joint or several relating to the transactions in the Facility Documents, the occurrence of an Event of Default and/or any other Indemnified Party acting on their behalf.

(b) Notwithstanding anything contrary contained herein, the Escrow Bank shall not be liable for losses or delays resulting from computer malfunction, interruption of communication facilities or other events beyond the reasonable control of the Escrow Bank or for any indirect, special or consequential losses.

*[Remainder of this page left intentionally blank]*

## SCHEDULE I

### DEFINITION AND INTERPRETATION

1.1 Unless the context or meaning thereof otherwise required, the following words/expressions shall have meaning assigned to them, respectively hereafter.

"Additional Payment"	shall mean the additional amount payable by the Company per month, over and above the RoE Component, in case the Effective Discount Rate is higher than the Quoted Discount Rate. Provided that in case the Effective Discount Rate is lower than the Quoted Discount Rate, the balance remaining in the Escrow Account out of RoE Component Payment after remittance of the principal and Interest for the said month calculated on the Effective Discount Rate, shall be remitted back to the Company.
"Amortization Schedule"	shall mean the schedule of repayment of the Disbursed Facility as set forth in Schedule VII.
"Applicable Laws"	shall mean the laws of Republic of India.
"Bid Documents"	means the bid documents issued by Company in relation to the Facility
"Company Representations and Warranties"	means and refers to the representations and warranties as set out in Schedule IV hereto.
"Benchmark Rate"	shall mean the: <ul style="list-style-type: none"> <li>• Overnight/ 1 month/ 3-month MCLR of respective banks/FI, or</li> <li>• 1 month / 3-Month T-bill rate (FBIL website), or</li> <li>• Repo rate (RBI website), or</li> <li>• 1/5/10 years G-Sec rates YTM % p.a. (Annualised) Par Yield) on FBIL website</li> </ul>
"Business Day"	shall mean: <ul style="list-style-type: none"> <li>• in relation to the making of any Disbursement or cancellation of Facility, by an Investor, any day on which such Investor is required or authorized by Applicable Law to be open for business in the place of its lending office/branch; or</li> <li>• in relation to all other matters, a day (other than a Saturday, Sunday or a bank holiday) on which banks are normally open for business in Delhi.</li> </ul>
"Disbursed Facility"	shall mean aggregate of all Disbursements from time to time.

"Due Date"	shall mean and refer the following: <ul style="list-style-type: none"> <li>• for repayment of the RoE/Fixed Component Payment - the First Fixed Component Payment Date or the Subsequent Fixed Component Payment Date, as the case may be; and</li> <li>• for payment of Additional Payment - the last day of the calendar month in which Effective Discount Rate is changed, and if such day is not a Business Day, then the Business Day immediately preceding such day.</li> </ul>
"Effective Discount Rate"	shall mean at any relevant time, the Benchmark Rate plus the Spread
"Escrow Account"	shall mean the non-interest-bearing current account to be opened and maintained with the Escrow Bank for the purpose of routing the Receivables.
"Event of Default"	means any event specified as being an event of default under clause 9.2 of the Facility Agreement.
"Facility Agreement"	shall have the meaning ascribed to it under the Recital B.
"Facility Documents"	means collectively the Agreement, Sanction Letter, Escrow Agreement , security documents and all other instruments, agreements and documents pertaining to or relating to the Agreement as amended, modified, varied and supplemented from time to time and any other related document executed in relation to the Facility.
Financial Year	shall mean the accounting period commencing from April 1 <sup>st</sup> of each year till March 31 <sup>st</sup> of next year.
"First Fixed Component Payment Date"	shall mean the last date of the calendar month falling after the expiry of one month from the date of first Disbursement. Provided, in the event the Disbursement takes place on the first day of the calendar month, then the First Fixed Component Payment Date shall be construed as the last day of the month of Disbursement. For example, in case of Disbursement on first day of February 2024, first Fixed Component Payment will be payable on February 28 2024, and if the disbursement takes on February 15, 2024, then first Fixed Component Payment will be payable on March 31, 2024.
"Fixed Component Payment"	Shall mean the Free Cash Component INR 28.75 crore per month towards the repayment of the Facility and Interest thereon. The same will be updated Amortization Schedule.

"Governmental Approval"	means any material authorization, approval, consent, license or permit required from any Governmental Authority or pursuant to any Applicable Law.
"Interest"	shall mean interest on the outstanding Disbursed Facility payable by the Company to the Investor at the Effective Discount Rate
"Person(s)"	shall unless specifically provided otherwise mean any individual, corporation, partnership, association of persons, joint venture company, joint stock company, trust or government authority as the context may admit.
"Power Station"	shall have the meaning ascribed to it under Recital A.

"Quoted Discount Rate"	shall mean the rate quoted by the Investor in response to the Bid Documents, that is [●].
"Receivables"	shall mean the collectively the Fixed Component Amount and Additional Amount.
"Sanction Letter"	shall mean the sanction letter issued by the Investor dated [●] bearing reference number [●], as amended from time to time.
"Security"	shall have the meaning ascribed to it under Clause 2.4 of the Facility Agreement.
"Security Documents"	shall mean the deed of hypothecation and cash credit hypothecation or executed/to be executed by the Company and such other documents/agreements that may be entered into or delivered or deposited with the Investor for creating, effecting, perfecting and maintaining the Security, in a form and substance satisfactory to the Investor.
"Spread"	{shall mean [●]'or' Not Applicable} <sup>5</sup> .
"Subsequent Fixed Component Payment Date(s)"	shall mean the date occurring after the expiry of every one-month period from First Fixed Component Payment Date,

1.2 In this Agreement, unless the context or meaning thereof otherwise requires:

- Capitalized terms which are not defined in this Agreement shall have the same meaning as assigned to them under the Facility Agreement;
- the singular includes the plural and vice-versa;
- any reference to the masculine, the feminine and the neuter shall include each other;
- any references to a "company" shall include a body corporate.
- the recitals and schedules form part of the Agreement and shall have the same force and effect as if expressly set out in the body of the Agreement, and any reference to the Agreement shall include all recitals and schedules to it. Any references to clauses and schedules are references to the clauses and schedules to the Agreement. Any references to parts or paragraphs are, unless otherwise stated, reference to parts or paragraphs of the schedule in which the reference appears; and the provisions contained herein shall be read in conjunction with the provisions of the Facility Agreement, as amended from time to time, and to extent of any inconsistency or repugnant, the Facility Agreement shall prevail to all intents and purpose.

*[Remainder of this page left intentionally blank]*

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<sup>5</sup> To be settled as per the outcome of the bidding process.

## **SCHEDULE II**

### **ESCROW MECHANISM FOR APPROPRIATION OF THE RECEIVABLES**

The Escrow Bank, so long as any amount is due to the Investor under the Facility Documents, shall utilize the Receivables so deposited by the Company 2 (two) prior to the Due Date (s) in the Escrow Account in the following manner:

- Firstly, on each Due Date(s) as per the Amortization Schedule, transfer amounts due to Investor or upon receipt of the instructions of the Company or the Investor for making payment towards:
  - a. Fixed Component Payment including any Interest for the break period (if any) in case the Disbursement does not takes place on the first day of the month; and
  - b. Additional Payment (if applicable).
- Balances, if any, remaining in the Escrow Account after transfer have been made in accordance with sub-clause (a) above, and upon instructions of the Company, be transferred to such accounts as may be specified by the Company.
- In case of in case the Effective Discount Rate is lower than the Quoted Discount Rate, the balance remaining in the Escrow Account out of Fixed Component Payment after remittance of the principal and Interest for the said month calculated on the Effective Discount Rate, shall be remitted back to the Company.

*[Remainder of this page left intentionally blank]*

**SCHEDULE III**  
**ADDRESS FOR NOTICES**

**S. No. Name of the Parties**

1. NHPC Limited (Company)

Address:

Attention:

Phone Number:

Facsimile:

Email:

2. [●]

(Investor)

Address:

Attention:

Phone Number:

Facsimile:

Email:

3. [●]

Escrow Bank

Address:

Attention:

Phone Number:

Facsimile:

Email:

*[Remainder of this page left intentionally blank]*

## **SCHEDULE IV**

### **COMPANY REPRESENTATIONS AND WARRANTIES**

#### **1. Existence and Ability**

- The Company is duly organized and validly existing under the laws of India and is in good standing.
- The Company has all corporate powers and material Governmental Approvals, required to own its property and to carry on its business as now conducted and is duly qualified to do business in the jurisdiction where it operates.

#### **2. Power and Authority**

The Company has the full legal right, capacity and authority to enter into the Facility documents to which it is a party, and the Facility Documents constitute legal, valid and binding obligations on the Company. The Company has the corporate power and authority to execute and deliver the terms and provisions of the Facility Documents and has taken all necessary corporate actions to authorize the execution and delivery of the Facility Documents and the transactions contemplated hereby.

#### **3. Valid and binding obligation**

Facility Documents constitutes a legally valid and binding obligation of the Company enforceable against it in accordance with its terms, except to the extent that enforcement may be limited by applicable bankruptcy, insolvency or other laws of general application affecting creditors' rights or the application of equitable principles.

#### **4. No Violation**

The execution, delivery and performance by the Company of the Facility Documents and the compliance by it with the terms and provisions thereof do not and will not-

- a. contravene any material provision of any Applicable Law, statute, rules or regulations or any order, writ, injunction or decree of any court or governmental instrumentality to which it is subject; or
- b. conflict with or be inconsistent with or result in any breach of any of the material terms, covenants, conditions or provisions of, or constitute a default under, any agreement, contract or instrument to which it is a party or by which, it or any of its property or assets is bound or to which it may be subject; or
- c. violate any material provision of its memorandum and articles of association and other constitutional documents.

#### **5. Litigation**

To the best of knowledge of the Company, there are no material claims, investigations or proceedings before any court, tribunal or Governmental Authority in progress or pending against or relating to the Company which could reasonably be expected to have a Material Adverse Effect.

#### **6. Insolvency**

The Company has not taken any corporate action and to the best of its knowledge no other steps have been taken or legal proceedings have been started or any application is filed against it for its winding-up, bankruptcy, dissolution, administration or reorganization including no action (voluntary or involuntary) for liquidation / insolvency, under Insolvency and Bankruptcy Code,

2016 has been taken and/or is pending or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer or of any or all of its assets or revenues.

#### **7. Borrowings**

- The total amount borrowed by the Company does not exceed any limitation on their borrowings contained in its articles of association, or in any resolution of its Board, or other deed or document binding on the Company.
- To the best of its knowledge, no event of default or breach-
  - a. which has or would entitle a lender or other counterparty of any borrowing to require the payment or repayment of such borrowing before its normal or originally stated maturity; or
  - b. which is or shall be such as to terminate, cancel or render incapable of exercise any entitlement to draw money or other rights of the Company under a written agreement related to any borrowing,
  - c. has been declared by the lender or counter party of such borrowing or has occurred or is expected to occur in relation to such borrowing.
- The Company is not in breach of its material obligations, undertakings or covenants under any of the loan agreements entered into with its lenders.

#### **8. Compliance with Applicable Laws**

The Company to the best of its knowledge, has complied with all material Applicable Laws in India and there has not been and there is no investigation, enquiry, order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the knowledge of the Company, anticipated against the Company which would have a Material Adverse Effect

#### **9. Material Adverse Effect**

To the best of its knowledge, there are no facts or circumstances, conditions, or occurrences, which could collectively or otherwise be expected to result in Material Adverse Effect.

**SCHEDULE V**  
**AMORTISATION SCHEDULE<sup>6</sup>**

(all figures in INR crore, unless specified)

End of period	Period	Tranche 1	Tranche 2	Break period interest	Monthly Free Cash Credit - Tranche 1	Monthly Free Cash Credit - Tranche 2	Interest - Tranche 1	Interest Tranche 2	Amount adjusted against Principle - Tranche 1	Amount adjusted against Principle - Tranche 2	Closing Principal - Tranche 1	Closing Principal - Tranche 2	Excess/ Reduced Interest in lieu of DR reset*	Total Pay-out (Free cash + Income from Secondary Energy and capacity incentive)
				E	A	B	C	D	E=A-C	F=B-D			G	J = E+A+B+G
28-02-2024	1													
31-03-2024	2													
30-04-2024	3													
31-05-2024	4													
30-06-2024	5													
31-07-2024	6													
31-08-2024	7													
30-09-2024	8													
31-10-2024	9													
30-11-2024	10													
31-12-2024	11													
31-01-2025	12													
28-02-2025	13													

<sup>6</sup> Table to be populated basis the rate quoted by the winning bidder

**IN WITNESS WHEREOF**, each of the Parties has caused the Agreement to be duly executed by its duly authorized representatives on the date and year first above written:

THE COMMON SEAL of the within named the Company, **NHPC LIMITED** has hereunto affixed pursuant to the resolution passed at the meeting of its Board of Directors held on [●], in the presence of \_\_\_\_\_ and \_\_\_\_\_ who have in token thereof, affixed their signatures hereto.

SIGNED AND DELIVERED BY within named the Company, **NHPC Limited**, by the hand of its authorized official.

Name: [●]  
Designation: [●]

SIGNED AND DELIVERED BY within named the Investor, [●], by the hand of its authorized official.

Name: [●]  
Designation: [●]

SIGNED AND DELIVERED BY within named the Escrow Bank, [●], by the hand of its authorized official.

Name: [●]  
Designation: [●]

**FACILITY AGREEMENT**

BETWEEN

NHPC LIMITED

As Company

AND

[•]

As Investor

## FACILITY AGREEMENT

THIS **FACILITY AGREEMENT ("Agreement")** is made at [●]<sup>7</sup> on this [●] day of [●] 2024 ("Execution Date") by and between:

**NHPC LIMITED**, a public limited company incorporated and registered under the Companies Act 1956 and an existing company within Companies Act, 2013, having its corporate identification number L40101HR1975GOI032564 with its registered office at NHPC office complex, Sector 33 Faridabad, Haryana-121003 (hereinafter referred to as the "Company", which expression shall unless it be repugnant to the context or meaning thereof, includes its successors and permitted assigns) of the **FIRST PART**;

### AND

[●] a company incorporated under the [Companies Act, 2013] or [Companies Act, 1956 and an existing company within Companies Act, 2013], with Corporate Identity Number [●] and having its registered office at [●] in its capacity as Investor acting through its authorized officers (hereinafter referred to as the "**Investor**", which expression shall, unless repugnant to the subject, context hereof, include its successors and assigns) of the **SECOND PART**<sup>8</sup>

The Company and the Investor shall individually be referred to as "Party" and collectively as "Parties" under this Agreement.

### WHEREAS

A. The Company is a hydropower company in India and engaged in designing constructing and operating hydropower plants including Kishanganga Power Station set up on river Kishanganga in Bandipora district of Jammu and Kashmir (the "PowerStation").

B. The Company has approached the Investor for securitization of its Free Cash from the Power Station, and the Investor has agreed to make available to the Company the facility of an aggregate principal amount not exceeding Rs. [●] (Rupees [●])<sup>9</sup>(the "Facility") for the Purpose (defined hereinafter).

C. Based on the representations and assurances of the Company, the Investor has agreed to provide the Facility to the Company and the Company has agreed to avail the Facility from the Investor on the terms and subject to the conditions contained in this Agreement and the other Facility Documents.

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<sup>7</sup> Insert place of execution

<sup>8</sup> The name clause of the Investor is to be settled as per the result of bidding process. Depending upon the constitution of the Investor, NHPC may use the aforesaid name clause or the following name clauses as applicable:

[●], a statutory corporation constituted under the [●] Act, [●] having its corporate office at [●] acting through its office at [●]; or [●], a company incorporated under the Companies Act, [●] and a banking company within the meaning of section 5(c) of the Banking Regulation Act, 1949 and having its registered office at [●].

<sup>9</sup> The Facility amount is to be populated based on discounting rate quoted by the winning bidder as per the formula mentioned quoted by it.

**NOW THEREFORE**, in consideration of the premises and mutual agreements and covenants contained in the Agreement and other good and valuable consideration (the receipt and adequacy of which is hereby mutually acknowledged), each of the Parties hereby agree as follows-

## **1. DEFINITIONS AND PRINCIPLES OF INTERPRETATION**

In addition to the terms defined in (i) the recitals to the Agreement; (ii) elsewhere in the Agreement, the capitalized terms shall have the meanings set forth in Schedule III hereto.

## **2. THE FACILITY**

### **2.1 Facility**

Subject to the terms and conditions of the Agreement and upon issuance of a duly completed Drawdown Notice in the manner set out in clause 4 of the Agreement, Investor agrees to make available to the Company, the Facility in accordance with the terms of the Agreement.

### **2.2 Purpose**

2.2.1 The Company hereby undertakes that the Facility shall be utilized, by the Company towards its future capex requirements.

2.2.2 The Company agrees to furnish a certificate from its auditors regarding the utilization of funds disbursed and such certificate shall be furnished to the Investor within sixty (60) Business Days of Disbursement of the Facility.

### **2.3 Availability**

The Facility shall be available for Disbursement on the Drawdown Date set out in a Drawdown Notice, provided that Disbursement of the Facility will not occur after 60 (sixty) Business Days from the Execution Date.

### **2.4 Security**

- i. The Secured Obligations shall be secured by the below mentioned security created/to be created in favour of the Investor, in the form and manner acceptable to the Investor:
  - (a) a first charge by way of hypothecation over the Escrow Account of the Company, established/to be established in accordance with the Escrow Account Agreement ("**Security**"); and
  - (b) Pari-passu charge on specific existing & future movable and/or immovable fixed assets of the Company to the extent of 1.0 times of sanctioned amount. ("**Security**").
- ii. The Security stipulated in Article 2.4 (i) shall be created and perfected on or before the initial Drawdown Date.
- iii. The Company shall forthwith, and in no event later than 30 (thirty) days from the date of execution of the relevant Security Document(s) or shorter period, if any, provided under the Applicable Laws, file particulars of the charges created under the Security Document with the relevant Registrar of Companies by filling Form CHG-1 and paying such fees as may be prescribed
- iv. The Company shall promptly provide evidence of perfection of charge over the Security, including certified true copies of CHG 1, along with annexures, challan, charge certificate, etc. in favour of the Investor and all details in relation to registration of the charge in favour of the Investor.
- v. The Company shall take all necessary actions and provide necessary assistance to the Investor for filing/registration of the Security Document and the charge created thereunder with Central

Registry of Securitisation Asset Reconstruction and Security Interest of India, forthwith upon execution of the Security Document and in any event not later than 10 (ten) Business Day from the execution of such Security Document.

### **3. CONDITIONS PRECEDENT**

#### **3.1 Conditions Precedent to the Facility**

Notwithstanding any other provision hereof, the Investor shall not be obligated to make a Disbursement of the Facility, pursuant to a Drawdown Notice, unless the Company has satisfied the Conditions Precedent as set out in Schedule IV hereto or waived by the Investor in its sole discretion and no Event of Default has occurred. The satisfaction of any Condition Precedent in this clause by the Company may be waived by the Investor, in writing, at its sole discretion, following a written request from the Company setting out (a) the Condition(s) Precedent in respect of which Company seeks a waiver, and (b) the reasons for seeking such waiver.

#### **4. DRAWDOWN**

The Facility shall be drawn by the Company in a single tranche/multiple tranches as agreed by the Investor, by providing a notice in the form set out in Schedule V ("**Drawdown Notice**") after the satisfaction or waiver of all the Conditions Precedent, as the case maybe.

## **5. REPAYMENT OF FACILITY, INTEREST PAYMENTS**

5.1.1 The outstanding principal of the Facility shall be repaid in structured instalments, in accordance with the Amortization Schedule set forth in Schedule VII hereto out of the Fixed Component Payment (defined hereinafter) payable by the Company on monthly basis. It is clarified that the first Fixed Component Payment shall be payable on the First Fixed Component Payment Date. Subsequent payments of the Fixed Component Payment shall be made on Subsequent Fixed Component Payment Date(s).

### **5.1.2 Interest**

(a) The Interest shall be Effective Discount Rate to be paid, on monthly basis on every Interest Payment Date(s), out of the Fixed Component Payment payable by the Company on monthly basis.

(b) Interest for the break period in the month of Disbursement shall be payable at the Effective Discount Rate, by depositing the required amount in the Escrow Account, 2(two) days prior to the Interest Payment Date. It is clarified that in case the Disbursement takes place on the first day of the month, Interest shall be payable out of the Fixed Component Payment to be deposited by the Company 2(two) days prior to the Interest Payment Date in the Escrow Account.

(c) {The Benchmark Rate shall reset after every one/three months in accordance with Quoted Benchmark Rate i.e. in case of overnight MCLR/1-month MCLR/1-month T-bill rate reset will be after 1 month while in case of 3-month MCLR/3-Month T-bill rate/Repo rate/ 1/5/10 years G-Sec rates reset will be after 3 months.

5.1.3 The Company shall be liable to make Additional Payment (defined hereinafter) at such intervals, as may be required, as per the terms of this Agreement.

### **5.1.4 Liquidated Damages on Defaulted Amounts**

(a) In case of default in crediting/paying the Fixed Component Payment and Additional Payment on their respective Due Dates, except Liquidated Damages (the "Defaulted Amounts") the Company shall pay to the Investor, liquidated damages/Penal charges at the rate of 2% (Two Percent) per annum, plus applicable Taxes (the "Default Interest Rate") on the Defaulted Amounts ("Liquidated Damages"). The Liquidated Damages shall be payable on demand and in the absence of any such demand on the next Due Date occurring after the date of default.

(b) Liquidated Damages shall be payable for the period commencing from the date of such default as set out in paragraph (a) above till the time such default continues and is not remedied to the satisfaction of the Investor.

(c)The Company acknowledges that Liquidated Damages under this Agreement, are reasonable and represent a genuine pre-estimate of the loss likely to be suffered and incurred by the Investor.

## **6. REPRESENTATIONS AND WARRANTIES**

6.1 By executing the Agreement, the Company makes the Company's Representations and Warranties to the Investor.

6.2 The Company's Representations and Warranties are deemed to be made by the Company on and by reference to the facts and circumstances then existing on (i) the Execution Date and (ii) each Drawdown Date.

## **7. COVENANTS**

During the currency of the Facility, the Company agrees to abide by and ensure continued compliance with the covenants as more particularly laid down in Schedule VI of this Agreement.

## **8. ASSIGNMENT**

The Investor reserves the right to assign its rights and obligations herein in favor of a new investor, provided that such new investor was identified as an eligible investor in terms of the Bid Documents. The Company is not entitled to assign any of its respective rights or obligations under any of the Facility Documents, without the consent of the Investor.

## **9. TERMS AND CONDITIONS OF TERMINATION**

### **9.1 Term**

This Agreement shall come into force from the Execution Date and the Agreement shall continue to be in force unless terminated in accordance with the provisions of clause 9.3 below or upon repayment of the Facility in accordance with the provisions contained in clause 5 hereof.

### **9.2 Events of Default**

The occurrence and/ or continuance of any one or more of the following events shall constitute a default under the Agreement (each such event being herein referred to as an "Event of Default") -

9.2.1 If the Company fails to credit Fixed Component Payment and Additional Payment into the Escrow Account on Due Dates.

9.2.2 Any final execution or distress order being enforced or levied against the Power Station and any order relating thereto is not discharged or stayed within thirty (30) Business Days from the date of enforcement or levy.

9.2.3 A receiver or liquidator being appointed in respect of the Power Station and such appointment is not stayed, quashed, or dismissed within thirty (30) Business Days of the appointment.

9.2.4 Any event or circumstance has occurred which is materially prejudicial to or imperils or depreciates the Security or the charge created by the Security Document cease to be valid under the Applicable Laws.

### **9.3 Termination**

In case of occurrence and continuance of any of the events described above or in Clause 9.2 of this Agreement or if the Company has not availed the Facility before the availability period, then in such event, the Investor may, by notice in writing to the Company, terminate the right of the Company to make withdrawals. Upon such notice, the undrawn amount of the Facility shall stand cancelled.

## **10. CUMULATIVE RIGHTS**

10.1 For greater certainty, it is expressly understood and agreed that the rights and remedies of the Investor under the Agreement, the other Facility Documents or under any document or instrument executed pursuant hereto or thereto, are cumulative and are in addition to and not in substitution of the Investor's rights or remedies provided by Applicable Law or by equity and any single or partial exercise by the Investor of any right or remedy for a default or breach of any term or condition contained in the Agreement, the other Facility Documents or any other document or instrument executed pursuant hereto or thereto, shall not be deemed to be a waiver of or to alter, affect or prejudice the right or remedy or other rights or remedies to which the Investor may be lawfully entitled for such default or breach. Any waiver by the Investor of the strict observance, performance or compliance with any term or condition herein contained and any indulgence granted either expressly or by course of conduct of the Investor shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Investor under the Agreement, the other Facility Documents or any document or instrument executed pursuant hereto or thereto, as a result of any other default or breach hereunder or thereunder.

### **10.2 Consequences of Default**

Upon and at any time after the occurrence of an Event of Default, the Investor may-

(i) by written notice to the Company, demand that all or part of the entire outstanding amount under the Facility and all other amounts payable under the Facility Documents be immediately due and payable; and/ or

(ii) enforce its rights under the Facility Documents in the manner provided therein and in Applicable Law; and/or

(iii) issue a notice to the Escrow Bank to draw on any margins and balances in the Escrow Account / instruct the Escrow Bank to ensure that no withdrawals/transfers take place from the Escrow Account.

(iv) If NHPC makes default in payment of the said Dues or any part thereof, the Investor would be at liberty (but not bound to do so) to appoint its nominee as Receiver without having resort to a Court of Law and/or to a proceeding in Court, to take possession of the properties of NHPC held/to be held by the Investor as security for the Loan hereunder or under any other security document(s) executed /to be executed by NHPC in favour of the Bank.

## **11. INDEMNITY**

The Company undertakes (without limiting any other remedy of the Investor under the Facility Documents or in any other way, including their right to damages in respect of a claim for breach of any of the representations or warranties on any other basis) to defend, indemnify and hold harmless the Investor and their respective officers, directors, employees, affiliates, advisors, agents and controlling Persons (each, an "Indemnified Party") from and against any and all losses, claims, liabilities, damages and expenses, joint or several relating to the transactions in the Facility Documents, the occurrence Event of Default and/or any other Indemnified Party acting on their behalf.

## **12. TAXES; REPORTING REQUIREMENTS**

### **12.1 Tax gross up and Indemnities**

#### **12.1.1 Tax gross-up**

(i) All payments to be made by the Company to the Investor under the Facility Documents shall be made free and clear and without any deduction or withholding for or on account of Tax, save and except for any tax on income of the Investor ("Tax Deduction") unless the Company is required to make a Tax Deduction Applicable Law, in such case the sum payable by the Company (in respect of which such Tax Deduction is required to be made) shall be increased to the extent necessary to ensure that the Investor receives a sum net of any deduction withholding equal to the sum which it would have received had no such Deduction been made or required to be made;

(ii) If the Company is required to make a Tax Deduction, the Company shall make Tax Deduction and make any payment required in connection with that Deduction within the time allowed and in the minimum amount required Applicable Law; and

(iii) Within thirty (30) days after the due date of payment of any Tax or other amount which it is required to pay, the Company shall deliver to the Investor evidence such deduction, withholding or payment and of the remittance thereof to relevant taxing or other authority.

#### **12.1.2 Tax indemnity**

If the Investor is required to make any payment on account of Tax other than income payable by the Investor or in relation to any sum received or receivable under any Facility Document or if any liability in respect of any such payment is asserted, imposed, levied assessed against the Investor, Company shall, within three (3) calendar days of demand the Investor, promptly pay the Investor the full amount of such payment or liability together with any interest, penalties, costs and expenses payable or incurred

in connection therewith, provided that this clause 12.1.2 shall not apply to any Tax imposed on calculated by reference to the net income actually received or receivable by the Investor.

### 13. GOVERNING LAW AND DISPUTE RESOLUTION

13.1 This Agreement shall be governed and construed in accordance with the laws of India

13.2 The courts, tribunals at Faridabad shall have an exclusive jurisdiction in respect of all matters arising out of / in relation to this Agreement.

### 14. MISCELLANEOUS

14.1 Further Assurances

Each Party shall co-operate with the other Party, execute and deliver to the other Party such instruments and documents and take such other actions as may be reasonably requested from time to time in order to carry out, evidence and confirm their rights and the intended purpose of the Agreement.

14.2 Notices

All notices, requests, consents, demands or other communication required or permitted to be given under the Agreement and the provisions contained herein shall be written in English and shall be sent by registered post, postage prepaid, or transmitted by facsimile transmission or couriered to the other Party at the address indicated below-

In the case of notices to the Company, to:

Address : NHPC Limited

Attention : [•]  
Phone Number [•]  
Facsimile : [•]  
E-mail : [•]

In the case of notices to the Investor, to:

Address : [•]  
Attention : [•]  
Phone Number : [•]  
Facsimile : [•]  
E-mail : [•]

or at such other address as the Party to whom such notices, requests, demands or other communication is to be given shall have last notified the Party giving the same in the manner provided in this clause, but no such change of address shall be deemed to have been given until it is delivered or deemed to be delivered in accordance with this clause 14.2.

Any notice, request, demand, or other communication delivered to the Party to whom it is addressed as provided in this clause 14.2 shall be deemed (unless there is evidence that it has been received earlier) to have been given and received, if-

- (i) sent by mail, five (5) calendar days after posting it;
- (ii) sent by courier, when received at the Party's physical address; and
- (iii) sent by facsimile when confirmation of its transmission has been recorded by the sender's facsimile machine.

If sent by e-mail, when it is sent provided the sender does not receive an "undeliverable" message (if sent during business hours) or (if not sent during business hours) at the beginning of business hours next following the time of sending of the e-mail.

#### 14.3 Waivers and Acknowledgements

The Company hereby waives any right to terminate or revoke the Agreement until the Facility and interest thereon, fees, costs, charges, and all other amounts owed by and all other present and future obligations and liabilities under or in respect of the Facility Documents have been fully paid to the Investor.

#### 14.4 Severability

If, at any time, any provision of the Agreement is or becomes illegal, invalid, or unenforceable in any respect, neither the legality, validity or enforceability of the remaining provisions will in any way be affected or impaired.

#### 14.5 Amendments

No modification, alteration, or amendment of the Agreement or any of its terms or provisions shall be valid or legally binding on the Parties unless made in writing and duly executed by or on behalf of the Parties.

#### 14.6 Entire Agreement

The Agreement along with other Facility Documents constitute and represent the entire Agreement between the Parties with regard to the rights and obligations of each of the Parties and supersedes all prior arrangements, agreements, or understandings, if any, whether oral or in writing, between the Parties on the Facility hereof or in respect of matters dealt with herein.

**IN WITNESS WHEREOF**, each of the Parties has caused the Agreement to be duly executed by its duly authorized representatives on the date and year first above written:

THE COMMON SEAL of the within named the Company, NHPC LIMITED has hereunto affixed pursuant to the resolution passed at the meeting of its Board of Directors held on [●], in the presence of \_\_\_\_\_ and \_\_\_\_\_ who have in token thereof, affixed their signatures hereto.

SIGNED AND DELIVERED BY within named the Company, NHPC Limited, by the hand of its authorized official.

Name: [●]  
Designation: [●]

SIGNED AND DELIVERED BY within named the Investor, [●], by the hand of its authorized official.

Name: [●]  
Designation: [●]

**SCHEDULE I  
PARTICULARS OF THE FACILITY**

Name of the investor (1)	Amount of facility in INR Crore (2)
[•]	[•]
<b>Total</b>	[•]

**SCHEDULE II**  
**Investor's Sanction Letter**  
*(to be annexed)*

**SCHEDULE III  
DEFINITIONS AND INTERPRETATION**

<b>"Abandonment"</b>	shall mean withdrawing or giving up of the Power Station by the Company and shall include cessation or suspension of performance of obligations by the Company in respect of the whole or any part of the Power Station. The term " <b>Abandon</b> " shall be construed accordingly.
<b>"Act"</b>	shall mean the Companies Act, 2013, along with all applicable rules and regulations framed in connection therewith, as amended from time to time.
<b>"Additional Payment"</b>	shall mean the additional amount payable by the Company per month, over and above the RoE/Fixed Component Payment, in case the Effective Discount Rate is higher than the Quoted Discount Rate. Provided that in case the Effective Discount Rate is lower than the Quoted Discount Rate, the Fixed Component shall be reduced accordingly and same shall be credited to the EA.
<b>"Amortization Schedule"</b>	shall mean the schedule of repayment of the Disbursed Facility as set forth in Schedule VII.
<b>"Applicable"</b>	shall mean the laws of Republic of India.
<b>"Auditor Certificate"</b>	shall mean the certificate to be issued by the statutory auditors of the Company certifying the income booked in the previous 12-month period from the sale of secondary energy units from the Power Station.
<b>"Benchmark Rate"</b>	shall mean the: <ul style="list-style-type: none"> <li>• Overnight/ 1 month/ 3-month MCLR of respective banks/FI, or,</li> <li>• 1 month / 3-Month T-bill rate (FBIL website), or,</li> <li>• Repo rate (RBI website), or,</li> <li>• 1/5/10 years G-Sec rates <i>YTM % p.a. (Annualised) Par Yield</i> on FBIL website</li> </ul>
<b>"Bid Documents"</b>	Means the bid documents issued by Company in relation to the Facility.
<b>"Business Day"</b>	shall mean: <ul style="list-style-type: none"> <li>• in relation to the making of any Disbursement or cancellation of Facility, by a Investor, any day on which such Investor is required or authorized by law to be open for business in the place of its lending</li> <li>• in relation to all other matters, a day (other than a Saturday, Sunday or a bank holiday) on which banks are normally open for business in Delhi.</li> </ul>

<b>“Company representations and warranties”</b>	means and refers to the representations and warranties as set out in Schedule VIII;
<b>“Condition(s) Precedent”</b>	means the conditions precedent specified in clause 3.1 which are required to be satisfied by the Company;
<b>“Disbursement”</b>	means the lending and release of Facility by the Investor to the Company on the Drawdown Date(s), in accordance with the terms and conditions contained in the Agreement;
<b>“Disbursed Facility”</b>	shall mean aggregate of all Disbursements from time to time.
<b>“Drawdown Date”</b>	means the Business Day on which the Disbursement of Facility shall take place following receipt by the Investor of a Drawdown Notice;
<b>“Due Date”</b>	shall mean and refer the following: <ul style="list-style-type: none"> <li>• for repayment of the Fixed Component Payment - the First Fixed Component Payment Date or the Subsequent Fixed Component Payment Date, as the case may be; and</li> <li>• for payment of Additional Payment - the last day of the calendar month in which Effective Discount Rate is changed, and if such day is not a Business Day, then the Business Day immediately preceding such day.</li> </ul>
<b>“Effective Discount Rate”</b>	shall mean at any relevant time, the Benchmark Rate plus the Spread <sup>10</sup> .
<b>“Escrow Account”</b>	shall have the meaning specified in the Escrow Account Agreement.
<b>“Escrow Account Agreement”</b>	shall mean the escrow account agreement entered into or to be entered into between the Company, the Investor and the Escrow Bank.
<b>“Escrow Bank”</b>	shall have the meaning specified to it in the Escrow Account Agreement.
<b>“Event of Default”</b>	means any event specified as being an event of default under clause 9.2.

<b>“Financial Year”</b>	shall mean the accounting period commencing from April 1st of each year till March 31st of next year.
<b>“First Fixed Component Payment Date”</b>	shall mean the last date of the calendar month falling after the expiry of one month from the date of first Disbursement. Provided, in the event the Disbursement takes place on the first day of the calendar month, then the First Fixed Component Payment Date shall be construed as the last day of the month of Disbursement. For example in case of Disbursement on first day of February 2024, first Fixed Component Payment will be payable on February 28 2024, and if the disbursement takes on February 15, 2024, then first Fixed Component Payment will be payable on March 31, 2024.
<b>“Facility Documents”</b>	means collectively the Agreement, Sanction Letter, Escrow Agreement, Security Agreement and all other instruments, agreements and documents pertaining to or relating to the Agreement as amended, modified, varied, and supplemented from time to time and any other related document executed in relation to the Facility;
<b>“Fixed Component Payment”</b>	means the return on equity of INR 28.75 crore per month towards the repayment of the Facility and Interest thereon as detailed in Schedule VII.
<b>“Governmental Approval”</b>	means any material authorization, approval, consent, license or permit required from any Governmental Authority or pursuant to any Applicable Law;
<b>“Interest”</b>	shall mean interest on the outstanding Disbursed Facility payable by the Company to the Investor at the Quoted Discount Rate or Effective Discount Rate, whichever is lower.
<b>“Interest Payment Date(s)”</b>	shall mean the last day of each calendar month, and if such day is not a Business Day, then the Business Day immediately preceding such day.
<b>“Material Adverse Effect”</b>	shall mean an event or circumstance which has a material adverse effect on or a material adverse change in: <ul style="list-style-type: none"> <li>• The financial condition, assets, operations, or business of the Company; or</li> <li>• The ability of the Company to perform its obligations under the Facility Documents; or</li> <li>• The validity, legality or enforceability of Facility Documents.</li> </ul>

"Person(s)"	shall unless specifically provided otherwise mean any individual, corporation, partnership, association of persons, joint venture company, joint stock company, trust or government authority as the context may admit.
"Power Station"	shall have the meaning ascribed to it under Recital A
"Purpose"	means the utilization of the Facility for the purposes detailed in clause 2.2 of this Agreement in accordance with the Applicable Laws.
"Quoted Discount Rate"	shall mean the rate quoted by the Investor in response to the Bid Documents, that is [●].
"Receivables"	shall mean the collectively the Fixed Component Amount and Additional Payment.
"Sanction Letter"	shall mean the sanction letter issued by the Investor dated [●] bearing reference number [●], as amended from time to time.
"Security"	shall have the meaning ascribed to it under Clause 2.4 of this Agreement.
"Security Documents"	shall mean the deed of hypothecation and cash credit hypothecation or executed/to be executed by the Company and such other documents/agreements that may be entered into or delivered or deposited with the Investor for creating, effecting, perfecting and maintaining the Security, in a form and substance satisfactory to the Investor.
"Spread"	{shall mean [●] 'or' Not Applicable} <sup>11</sup> .
"Subsequent Fixed Component Payment" Date(s)"	shall mean the date occurring after the expiry of every one-month period from First Fixed Component Payment Date.
"Tax"	means any interest tax, other levies, duties if any, applicable as per the Agreement.

<sup>11</sup> To be settled as per the outcome of the bidding process.

## **Interpretation**

In the Agreement,

(i) any reference to the singular shall include the plural and vice-versa;

(ii) any reference to the masculine, the feminine and the neuter shall include each other;

(iii) any reference to a "company" shall include a body corporate;

(iv) the recitals and schedules form part of the Agreement and shall have the same force and effect as if expressly set out in the body of the Agreement, and any reference to the Agreement shall include all recitals and schedules to it. Any references to clauses and schedules are references to the clauses and schedules to the Agreement. Any references to parts or paragraphs are, unless otherwise stated, reference to parts or paragraphs of the schedule in which the reference appears.

**SCHEDULE IV  
CONDITIONS PRECEDENT**

(i) The Company submitting certified, true and up-to date (where applicable) copies of the following to the Investor-

(a) its memorandum of association and articles of association;

(b) a resolution by the board of directors of the Company accepting the Facility and approving the execution, delivery and performance of the Facility Documents and authorizing a key managerial person or persons to sign, execute and deliver each such document and any other documents to be delivered pursuant thereto and its noting thereof by the board;

(c) a resolution of its shareholders under Section 180 of the Act authorizing the borrowing of monies and creation of security, if any.

(ii) The Company submitting a certificate from its statutory auditors/company secretary confirming that the Facility would be within the borrowing limits of the resolution of the shareholders as set out above; and

(iii) The Company's Representations and Warranties having remained accurate and absence of any breach of the covenants or any other provision of the Facility Documents by the Company.

**SCHEDULE V  
DRAWDOWN NOTICE**

[please insert date]

To,  
[Insert the name of the Investor]

[●]

Dear Sirs,

**Subject: Facility Agreement dated [●]**

1. Please refer to the facility agreement executed between Investor and the NHPC Limited (the "Company") on [●] (the "Agreement"). All terms defined in the Agreement shall bear the same meanings herein.

2. The Company hereby requests the Disbursement on [●] (or as soon as practicable thereafter) of the amount of [●] under the Facility in accordance with the provisions of clause 4 of the Agreement.

3. For the purposes of the Agreement, the Company hereby certifies as follows:

(a) no Event of Default has occurred or is continuing and there is no likelihood of the occurrence of such an Event of Default to the best of its knowledge and belief;

(b) the proceeds of the Disbursement are, at the date of this request required by the Company for the Purpose(s);

(c) nothing has occurred which has or could reasonably be expected to have a Material Adverse Effect and the Company has not incurred any material loss or liability;

(d) the Company's Representations and Warranties made in the Agreement are true on and as of the date of this request and will be true on and as of the Drawdown Date with the same effect as if such representations and warranties had been made on and as of each such date;

(e) the Company hereby certifies that all of the conditions in clause 3.1 of the Agreement have been satisfied; and

(f) after giving effect to the Disbursement, the Company will not be in violation of:

- its organizational documents;
- any provision contained in any document to which the Company is a party (including the Agreement) or by which the Company is bound; or
- any law, rule, regulation, authorization, agreement or other document binding on the Company directly or indirectly, limiting or otherwise restricting the Company's borrowing power or authority or its ability to borrow.

The above certifications are effective as of the date of this request for Disbursement and shall continue to be effective as of the Drawdown Date. If any of these certifications is no longer valid as on or prior to the date of the requested Disbursement, the Company will immediately notify the Investor.

**IN WITNESS WHEREOF**, I have hereunto set my hand this day of [●], 2024

For NHPC Limited

By:

Name:

Designation:

## **SCHEDULE VI COVENANTS**

### **A. POSITIVE COVENANTS**

#### i) Inspection

The Company shall permit and make suitable arrangements for the representatives, authorized officers, agents or employees of the Investor to visit and inspect its offices, its properties and assets, in relation to the Receivables and examine the Company's books of records, account with prior written notice of 10 (ten) Business Days.

#### ii) Maintenance of Existence; Books and Records

The Company shall preserve and maintain its legal existence as a company engaged in the implementation of the Power Station and activities related and incidental thereto and shall maintain proper books of record as are necessary to reflect the financial condition truly, accurately and correctly, operations of the Company and scale of its operations.

#### iii) Applicable Laws

The Company shall comply in all material respects with the Applicable Law including in relation to the conduct of its business and operation and maintenance of the Power Station.

#### iv) Maintenance of Accounts

The Company shall open and maintain the Escrow Account with the Escrow Bank and shall ensure deposit of all Receivables into the Escrow Account to be opened and maintained in terms of the Escrow Account Agreement.

#### v) Use of Proceeds

The Company acknowledges and agrees that the proceeds of the Facility shall be utilized for the Purpose and shall not be used for any other purpose whatsoever.

#### vi) Taxes Duties

The Company shall pay and discharge all Taxes and other statutory dues imposed on or payable by it including Taxes on its income, profits or on any of its property and shall file all returns relating to such Taxes.

### **B. NEGATIVE COVENANTS**

The Company shall not, without the prior written consent of the Investor:

#### (a) Change in Business and Operations

Effect any change to the Company's business and operations having Material Adverse Effect.

#### (b) Abandonment

The Company shall not Abandon or agree to Abandon the Power Station.

#### (c) Insolvency

The Company shall not initiate any voluntary insolvency or bankruptcy proceeding of any nature whatsoever.

## SCHEDULE VII AMORTIZATION SCHEDULE<sup>12</sup>

(all figures in INR crore, unless specified)

End of period	Period	Tranche 1	Tranche 2	Break period interest	Monthly Free Cash Credit - Tranche 1	Monthly Free Cash Credit - Tranche 2	Interest - Tranche 1	Interest Tranche 2	Amount adjusted against Principle - Tranche 1	Amount adjusted against Principle - Tranche 2	Closing Principal - Tranche 1	Closing Principal - Tranche 2	Excess/ Reduced Interest in lieu of DR reset*	Total Pay-out (Free cash + Income from Secondary Energy and capacity incentive)
				E	A	B	C	D	E=A-C	F=B-D			G	J = E+A+B+G
28-02-2024	1													
31-03-2024	2													
30-04-2024	3													
31-05-2024	4													
30-06-2024	5													
31-07-2024	6													
31-08-2024	7													
30-09-2024	8													
31-10-2024	9													
30-11-2024	10													
31-12-2024	11													
31-01-2025	12													
28-02-2025	13													

<sup>12</sup> Table to be populated basis the rate quoted by the winning bidder

## **SCHEDULE VIII COMPANY REPRESENTATIONS AND WARRANTIES**

### **1. Existence and Ability**

1.1. The Company is duly organized and validly existing under the laws of India and is in good standing.

1.2 The Company has all corporate powers and material Governmental Approvals, required to own its property and to carry on its business as now conducted and is duly qualified to do business in the jurisdiction where it operates.

### **2. Power and Authority**

The Company has the full legal right, capacity and authority to enter into the Facility Documents to which it is a party, and the Facility Documents constitute legal, valid and binding obligations on the Company. The Company has the corporate power and authority to execute and deliver the terms and provisions of the Facility Documents and has taken all necessary corporate actions to authorize the execution and delivery of the Facility Documents and the transactions contemplated hereby.

### **3. Valid and Binding Obligation**

Facility Documents constitutes a legally valid and binding obligation of the Company enforceable against it in accordance with its terms, except to the extent that enforcement may be limited by applicable bankruptcy, insolvency or other laws of general application affecting creditors' rights or the application of equitable principles.

### **4. No Violation**

The execution, delivery and performance by the Company of the Facility Documents and the compliance by it with the terms and provisions thereof do not and will not-

(i) contravene any material provision of any Applicable Law, statute, rules or regulations or any order, writ, injunction or decree of any court or governmental instrumentality to which it is subject; or

(ii) conflict with or be inconsistent with or result in any breach of any of the material terms, covenants, conditions or provisions of, or constitute a default under, any agreement, contract or instrument to which it is a party or by which, it or any of its property or assets is bound or to which it may be subject; or

(iii) violate any material provision of its memorandum and articles of association and other constitutional documents.

### **5. Litigation**

To the best of knowledge of the Company, there are no material claims, investigations or proceedings before any court, tribunal or Governmental Authority in progress or pending against or relating to the Company which could reasonably be expected to have a Material Adverse Effect.

### **6. Insolvency**

The Company has not taken any corporate action and to the best of its knowledge no other steps have been taken or legal proceedings have been started or any application is filed against it for its winding-up, bankruptcy, dissolution, administration or reorganization including no action (voluntary or involuntary) for liquidation / insolvency, under Insolvency and Bankruptcy Code, 2016 has been taken and/or is pending or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer or of any or all of its assets or revenues.

### **7. Borrowings**

7.1 The total amount borrowed by the Company does not exceed any limitation on their borrowings contained in its articles of association, or in any resolution of its Board, or other deed or document binding on the Company.

7.2 To the best of its knowledge, no event of default or breach-

(a) which has or would entitle a lender or other counterparty of any borrowing to require the payment or repayment of such borrowing before its normal or originally stated maturity; or

(b) which is or shall be such as to terminate, cancel or render incapable of exercise any entitlement to draw money or other rights of the Company under a written agreement related to any borrowing, has been declared by the lender or counter party of such borrowing or has occurred or is expected to occur in relation to such borrowing.

7.3 The Company is not in breach of its material obligations, undertakings, or covenants under any of the loan agreements entered into with its lenders.

## **8. Compliance with Applicable Laws**

The Company to the best of its knowledge, has complied with all material Applicable Laws in India and there has not been and there is no investigation, enquiry, order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the knowledge of the Company, anticipated against the Company which would have a Material Adverse Effect.

## **9. Material Adverse Effect**

To the best of its knowledge, there are no facts or circumstances, conditions or occurrences, which could collectively or otherwise be expected to result in Material Adverse Effect.

**SECURITY DOCUMENTS**

**UNATTESTED DEED OF HYPOTHECATION**

**BY**

**NHPC LIMITED  
(As Company)**

**IN FAVOUR OF**

**[●]  
(As Investor)**

## UNATTESTED DEED OF HYPOTHECATION<sup>13</sup>

This Unattested Deed of Hypothecation (this "**Deed**") is executed at [●] on this [●] day of [●], 2024.

### BY

**NHPC LIMITED**, a public limited company incorporated and registered under the Companies Act, 1956 having its corporate identification number L40101HR1975GOI032564 and registered office at NHPC Office Complex, Sector 33, Faridabad, Haryana – 121003, India (hereinafter referred to as the "**Company**" which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns);

### IN FAVOUR OF

[●]<sup>14</sup>, a company registered under the Companies Act, 1956 and having its corporate identification number [●] with its registered office at [●] and having its branch office at [●] in its capacity as Investor acting through its authorized officers (hereinafter referred to as "**Investor**" which expression shall, unless repugnant to the subject, context hereof, include its successors and assigns).

(The Company and the Investor shall hereinafter collectively be referred to as "**Parties**" and individually as the "**Party**").

### WHEREAS:

- A. The Company is a hydropower company in India and engaged in designing, constructing and operating hydropower plants including Kishanganga Power Station (3 x 110 MW) set up on river Kishanganga in Bandipore district of Union territory of Jammu & Kashmir (the "**Power Station**").
- B. The Company has approached the Investor for securitisation of its free cash which is equal to Return on Equity (RoE) component of annual fixed charge and the Investor has agreed to make available to the Company the facility of an aggregate principal amount not exceeding Rs. [●] (Rupees [●])<sup>15</sup>(the "**Facility**") on the terms and conditions contained in the Sanction Letter (*as defined hereinafter*) and the facility agreement dated [●] entered into by and between the Company and the Investor ("**Facility Agreement**").
- C. One of the conditions of the Investor *inter alia* agreeing to sanction/agreeing to grant, the Facility to the Company is that the Company shall secure the Secured Obligations (as defined

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<sup>13</sup> **PL Note:** The Facility Agreement needs to be revised to capture the security structure, that is first charge on escrow account.

<sup>14</sup> **PL Note:** The name clause of the Investor is to be settled as per the result of bidding process. Depending upon the constitution of the Investor, NHPC may use the aforesaid name clause or the following name clauses as applicable:

[●], a statutory corporation constituted under the [●] Act, [●] having its corporate office at [●] acting through its office at [●];

'or'

[●], a company incorporated under the Companies Act, [●] and a banking company within the meaning of section 5(c) of the Banking Regulation Act, 1949 and having its registered office at [●].

<sup>15</sup> **PL Note:** The Facility amount is to be populated on the basis of discounting rate quoted by the winning bidder as per the formula mentioned quoted by it.

hereinafter) by creating a charge over the Escrow Account in favour of the Investor in the manner set out in this Deed.

- D. In view of the above, the Company has agreed to execute this Deed and to charge over the Escrow Account in favour of the Investor on the terms and conditions set out hereinafter.
- E. The Investor have called upon the Company to execute these presents, which the Company has consented to do in the manner hereinafter expressed.

**NOW THEREFORE FOR THE CONSIDERATION AS AFORESAID, THE COMPANY HEREBY AFFIRMS AND AGREES AS FOLLOWS:**

1. Definitions

“**Secured Obligations**” shall mean all amounts due, owing or payable to Investor by the Company pursuant to the terms of the Facility Agreement and /or the other Facility Documents, including without limitation:

- (a) the total amount of the principal and interest on the Facility, and all other obligations and liabilities of the Company, including amounts arising out of indemnities, expenses, fees, charges and interest, incurred under, arising out of or in connection with any Facility Document;
- (b) in the event of any proceeding for the collection or enforcement of the Secured Obligations, after an Event of Default shall have occurred, the expenses incurred by the Investor for exercise of its right under this Deed and/or the other Facility Documents, together with legal fees and court costs.

2. Capitalized terms used but not defined in this Deed shall have the meaning ascribed to them in the Facility Agreement and other Facility Documents in relation thereto. The principles of interpretation set out in the Facility Agreement and Facility Documents shall apply, *mutatis mutandis*, hereto and shall be deemed to be set out in their entirety herein.

3. In order to induce the Investor to enter into the Facility Documents and to accept the present security interest created in pursuance of this Deed, the Company has made Company’s Representations and Warranties set forth in the Facility Agreement, which representations and warranties are deemed to be incorporated herein by reference and made a part of this Deed as if such representation and warranties were set forth in full herein. The Company further represent and covenants that it has taken all necessary corporate actions for execution of this Deed and has obtained all necessary clearances for performance of its relevant obligation under this Deed.

4. In pursuance of the Facility Documents and in consideration of the Investor agreeing to provide the Facility to the Company upon the terms and subject to the conditions set out in the Facility Agreement and in consideration of the premises, the Company doth hereby covenant with the Investor that the Company binds itself to duly and punctually discharge all its obligations under the Facility Agreement and punctually repay and/ or pay and discharge the Secured Obligations.

5. In further pursuance of the Facility Agreement and for the consideration aforesaid, the Company do hereby hypothecate and creates A first charge on Escrow Account opened by the

Company for depositing the Receivables, both present and future in favour of the Investor, as security for and be charged for the due payment/ repayment/ discharge of the Secured Obligations.

6. In further pursuance of the Facility Agreement and for the consideration aforesaid, the Company doth hereby further agree, declare and covenant with the Investor as follows:
- (i) The Investor shall, with notice, be entitled at all times to check the statement, reports and information relating to the Escrow Account;
  - (ii)
    - (a) that the Escrow Account shall, always be kept distinguishable and held as property charged for the benefit of the Investor and the Company will not create or permit to create any security interest whatsoever affecting the same or any part thereof in favour of any other party(ies) and will not do anything which would prejudice the charge hereby created; and
    - (b) that it shall forthwith upon the execution hereof, but in any event within 30 (thirty) days, file form CHG-1 together with the relevant attachments as required under the Act with the concerned Registrars of Companies (RoC) and obtain and deliver to the Investor evidence of such filing, copy of CHG-1 together with attachments thereto filed by the Company with the Registrars of Companies (RoC) and the certificate of registration of the charge created on the Escrow Account under Section 77 of the Act, as applicable.
  - (iii) upon the occurrence of an Event of Default, the Investor or its nominees shall, subject to the Applicable Law and the terms of the Facility Documents, issue a notice to the Escrow Bank to (i) draw on any margins and balances in the Escrow Account and remit the same to the Investor for the purposes of repayment/discharge of the Secured Obligations, or (ii) instruct the Escrow Bank to ensure that no withdrawals/transfers take place from the Escrow Account. Notwithstanding that there may be any pending suit or process or other proceeding, the Company undertakes to give required assistance to the Investor and/or its nominees in this regard and to transfer to the Investor all related bills, contracts, securities and documents. The Company hereby acknowledges and constitutes the Investor or its officers, nominees, agents and representatives as its true and lawful attorney for the purposes herein contemplated;
  - (iv) that the Escrow Account, except the charge created in terms of this Deed, is free from any security interests and that the Company has not done or knowingly suffered or been party or privy to anything whereby the Company is in any way prevented from hypothecating the Escrow Account aforesaid;
  - (v) it shall be the duty of the Company to obtain and keep in force all clearances required to be taken by Applicable Law for the purpose of effectuating the provisions of this Deed, and whenever required by Investor, the Company shall do everything necessary for transferring to and effectively vesting in the Investor or any of its officers or nominees all such clearances necessary for effectuating the provisions of this Deed/ for the purposes of repayment/discharge of the Secured Obligations to Investor;
  - (vi) it shall punctually pay all rents, fees and outgoings in relation to the Escrow Account, wheresoever the Escrow Account may be located;

- (vii) that the Investor shall, subject to Facility Documents, be at liberty to assign the Facility or part thereof and the benefit of these presents and the securities, provided that such new Investor was identified as an eligible Investor in terms of the Bid Documents;
- (viii) the security furnished by these presents shall be a continuing security in favour of the Investor till the Facility is fully paid to the Investor, and the liability of the Company shall not be affected, impaired or discharged by intermediate payment or satisfaction, winding up or any merger or amalgamation, reconstruction or otherwise of the Company with any other company or by take-over of the management or nationalisation of the Company or otherwise;
- (ix) notwithstanding anything to the contrary contained herein or other Security Documents, the Investor will be at liberty to demand and recover all Secured Obligations upon the occurrence of an Event of Default in accordance with the Facility Documents and also to enforce the security or recover the money(ies). The monies so recovered and realized may be appropriated towards discharge of the Secured Obligations in such manner as the Investor deem(s) fit in accordance with the provisions of the Facility Documents/Applicable Law;
- (x) it hereby irrevocably appoints the Investor or their/its officers, agents and nominees as its attorney and authorizes Investor to act for and in the name of the Company and, as such attorney, to execute and do all acts, deeds and things which the Company is authorised to execute and do under this Deed and provisions herein contained and generally to use the name of the Company in the exercise of all or any of the powers by these presents or by Applicable Law conferred on the Investor or any receiver appointed by the Investor and also to execute on behalf of the Company, at the cost of the Company, such documents and deeds as may be necessary to give effect to the provisions referred to hereinabove and also for preservation, enforcement and realization of the security created hereby;
- (xi) it hereby agrees to execute and deliver the power of attorney in the form as specified in Schedule II (*Irrevocable Power of Attorney*) hereto, along with this Deed, to the Investor. The Company hereby ratifies and confirms and agrees to ratify and confirm any deed, instrument, act or thing which such attorney or substitute may execute or do; and
- (xii) for the avoidance of doubt, the provisions contained herein are not intended to, and shall not, in any way diminish or impair the Company's obligations or liabilities under or in connection with the Facility Agreement. The provisions contained herein shall be read in conjunction with the provisions of the Facility Agreement, as amended from time to time, and to the extent of any inconsistency or repugnancy, the Facility Agreement shall prevail to all intents and purposes.

## 7. Notices

All notices, requests, consents, demands or other communication required or permitted to be given under the Deed and the provisions contained herein shall be written in English and shall be sent by registered post, postage prepaid, or transmitted by facsimile transmission or couriered to the other Party at the address indicated below-

In the case of notices to the Company, to:

Address : NHPC Limited  
[●]  
  
Attention : [●]  
Phone Number : [●]  
Facsimile : [●]  
E-mail : [●]

In the case of notices to the Investor, to:

Address : [●]  
  
Attention : [●]  
Phone Number : [●]  
Facsimile : [●]  
E-mail : [●]

or at such other address as the Party to whom such notices, requests, demands or other communication is to be given shall have last notified the Party giving the same in the manner provided in this clause, but no such change of address shall be deemed to have been given until it is delivered or deemed to be delivered in accordance with this clause 7.

Any notice, request, demand or other communication delivered to the Party to whom it is addressed as provided in this clause 7 shall be deemed (unless there is evidence that it has been received earlier) to have been given and received, if

- (i) sent by mail, five (5) calendar days after posting it;
  - (ii) sent by courier, when received at the Party's physical address; and
  - (iii) sent by facsimile, when confirmation of its transmission has been recorded by the sender's facsimile machine;
  - (iv) if sent by e-mail, when it is sent provided the sender does not receive an "undeliverable" message (if sent during business hours) or (if not sent during business hours) at the beginning of business hours next following the time of sending of the e-mail.
8. All remedies under these presents whether provided herein or conferred by statute, civil law, common law, custom, trade, or usage are cumulative and not alternative and may be enforced successively or concurrently.
  9. If for any reason whatever any provision of these presents is or becomes invalid, illegal or unenforceable, the validity of the remaining provisions shall not be affected in any manner.
  10. Promptly and in any event within 7 (seven) days of the full and final satisfaction of the Secured Obligations, the Investor shall, take all steps to release the Escrow Account from the charges under this Deed, to the satisfaction to the Company.
  11. (i) This Deed shall be governed by, and construed in accordance with the laws of India.

(ii) That the Company agrees that any matter or issues arising hereunder, or any dispute hereunder shall be subject to the exclusive jurisdiction of the courts in Faridabad.

12. No modification, alteration or amendment of the Deed or any of its terms or provisions shall be valid or legally binding on the Parties unless made in writing and duly executed by or on behalf of the Parties.

**IN WITNESS WHEREOF**, the Company has caused its common seal to be affixed hereto on this day, month and year first hereinabove written.

**SIGNED AND DELIVERED BY**

\_\_\_\_\_, authorized representative of **NHPC LIMITED** pursuant to the resolution of its Board passed in that behalf on \_\_\_\_\_.

**THE COMMON SEAL OF NHPC LIMITED** has pursuant to the resolutions of its Board passed in that behalf on \_\_\_\_\_ hereunto been affixed in the presence of

\_\_\_\_\_, who has signed these presents in token thereof.

**SCHEDULE I**

**Name of the Investor and its commitment under the Facility**

<b>Name of the Investor</b>	<b>Facility - Commitment (Amount INR)</b>
[●]	[●]
<b>TOTAL</b>	[●]

*[Remainder of this Page Left Intentionally Blank]*

**SCHEDULE II**  
**IRREVOCABLE POWER OF ATTORNEY**

**TO ALL TO WHOM THESE PRESENTS SHALL COME, WE, NHPC LIMITED**, a public limited company incorporated and registered under the Companies Act, 1956 having its corporate identification number L40101HR1975GOI032564 and registered office at NHPC Office Complex, Sector 33, Faridabad, Haryana – 121003, India (hereinafter called the “**Principal**” which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors and permitted assigns).

**SEND GREETINGS:**

**WHEREAS** by an unattested deed of hypothecation dated [●] (the “**Deed**”) executed by the Principal in favour of [●], a company incorporated under the Companies Act [●], with its corporate identification number [●] and having its registered office at [●] (hereinafter referred to as the “**Investor**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors, transferees, novatees and permitted assigns), the Principal has agreed to provide security for the payment/repayment of the Secured Obligations under the Facility Documents, as granted by the Investor. The Investor has granted the Facility in consideration of the Principal agreeing to grant appropriate security under the Deed, *inter alia*, by way of first charge on Escrow Account opened by the Company for depositing the Receivables received by it.

**NOW KNOW YE ALL AND THESE PRESENTS WITNESS THAT**, NHPC Limited, as the Principal abovenamed and as donor/grantor of this Power of Attorney and in order to fully secure the performance of the Principal’s obligations under the Deed, does hereby irrevocably nominate, constitute and appoint [●], the Investor with full power and authority to be the Principal’s true and lawful attorney and to take all such actions for and on its behalf which the Investor in its sole discretion considers appropriate, necessary or desirable to accomplish the purpose of the Deed and also to do, execute and perform from time to time any acts, deeds or matters for and on its behalf and in its name and at its risk and costs which in the Investor sole discretion is deemed necessary or desirable to accomplish the purposes of the Deed and amongst other things, all or any of the following acts, deeds and matters:

- (1) To sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which may be desirable or necessary or which the Investor shall think proper or expedient for carrying out any obligations imposed on the Principal (and which have not been complied with as required under the Deed) under the Deed or for exercising any of the powers conferred under the Deed:
  - (a) to give full effect to the terms of the Deed;
  - (b) in connection with the creation and/or perfection of the charge created under the Deed, including obtaining necessary clearances/permissions and filing of form CHG-1 and any other particulars, as may be required by the Investor to be filed with the Registrars of Companies (RoC) under the Act or the Central Registry of Securitisation Asset Reconstruction and Security Interest; or

(c) in connection with any preservation of rights in relation thereto.

and, *inter alia* to:

(d) execute and do all acts, deeds and things which the Principal is authorised to execute and do under the covenants and provisions contained in the Deed;

(e) use the name of the Principal in the exercise of all or any of the powers conferred by these presents or in the Deed; and

(f) execute on behalf of the Principal, such documents and deeds and take such other actions as may be necessary to give effect to the provisions of the Deed and for the preservation, enforcement, and realisation of the hypothecation and charge created under the Deed.

(2) Upon the occurrence of an Event of Default operate the Escrow Account and remit monies to discharge the Secured Obligations under the Deed.

(3) To pay the proper stamp duty payable on all the documents in respect of creation and perfection of hypothecation and charge as aforesaid over the Escrow Account and perform all other acts, deeds and assurances on behalf of the Principal, which at the discretion of the Investor, be desirable or necessary to effectively secure the Secured Obligations.

(4) The exercise by the Investor or its nominees of any power shall be conclusive evidence of its right to exercise such power. The Principal hereby ratifies, confirms and agrees to ratify and confirm any deed, instrument, act or thing which such attorney or substitute may execute or do.

**PROVIDED ALWAYS** that the Attorney may exercise the powers granted by this Power of Attorney, only upon occurrence of an Event of Default.

**AND THE PRINCIPAL DOTH HEREBY DECLARE, AGREE AND CONFIRM THAT** all or any of the aforesaid powers may be exercised by the Investor or their nominees on our behalf as the Principal itself.

**AND THE PRINCIPAL DOTH HEREBY** agrees that all or any of the powers hereby conferred upon the Investor may be exercised by any officer or officers of the Investor nominated by the Investor in that behalf.

**AND THE PRINCIPAL DOTH HEREBY CONFIRM AND DECLARE THAT** this Power of Attorney shall be valid, effective, operative and irrevocable (being power coupled with interest) and shall remain in force till the time Deed is in force and the cessation of this authority shall not affect or impair any act thereto done in exercise of these presents.

Capitalized terms used herein shall have the meaning ascribed thereto in the Deed, unless otherwise defined herein.

**IN WITNESS WHEREOF** the Principal has executed this power of attorney on \_\_\_\_\_ day of \_\_\_\_\_, 2024 at \_\_\_\_\_.

THE COMMON SEAL OF the within named Principal, **NHPC LIMITED** has pursuant to the Resolutions of its Board of Directors passed in that behalf on \_\_\_\_\_ hereunto been affixed in the presence of Mr. \_\_\_\_\_, and Mr. \_\_\_\_\_ who have signed these presents in token thereof.

SIGNED AND DELIVERED BY the within named Principal, **NHPC LIMITED** by the hands of \_\_\_\_\_, authorized official.

**BEFORE ME**  
**NOTARY PUBLIC**

**UNATTESTED DEED OF HYPOTHECATION**

**BY**

**NHPC LIMITED  
(As Company)**

**IN FAVOUR OF**

**[•]  
(As Investor)**

## DEED OF HYPOTHECATION

This Deed of Hypothecation (this "Deed") executed at the place and on the date specified in Items 1 and 2 respectively of Schedule I hereto, by:

The person set out in Item 8 of Schedule I hereto, as the Security Provider (hereinafter referred to as the "Security Provider", which expression shall, unless it be repugnant to the subject or context thereof, be deemed to mean and include: (a) in case of a company, its successors and permitted assigns; (b) in case of a partnership firm, the partners for the time being and from time to time of the partnership firm, their survivor or survivors of them, their respective heirs, administrators, executors, legal representatives and successors of the partner(s); (c) in case of a trust, the trustee or trustees of the trust for the time being and from time to time, their respective heirs, administrators, executors, legal representatives and successors of the trustee(s); (d) in case of a Hindu undivided family, the Karta and the members for the time being and from time to time of the said Hindu undivided family and their respective heirs, executors, administrators and permitted assigns; (e) in case of a sole proprietor, the proprietor's heirs, administrators, executors and legal representatives; and (f) in case of an individual, the individual's heirs, administrators, executors and legal representatives);

in favour of

..... a company incorporated under the Companies Act, 1956 and licensed as a bank under the Banking Regulation Act, 1949 and having its registered office at ..... and branch office at..... (hereinafter referred to as the "Investor/Bank", which expression shall, unless it be repugnant to the subject or context thereof, be deemed to mean and include its successors and assigns).

### WHEREAS:

- A. Upon a request from the Borrower (as hereinafter defined), the Bank has granted/ agreed to grant to the Borrower the facility(ies) which are more particularly set out in Item 4 of Schedule I hereto (hereinafter defined as the "Credit Facility(ies)") in accordance with the terms and conditions of the Facility Letter(s)/ Agreement(s) (as hereinafter defined);
  
- B. One of the conditions on which the Credit Facility(ies) has been granted/ agreed to be granted by the Bank to the Borrower is that the payment of all present and future monies, debts and liabilities and interest and commission thereon and all legal and other costs, charges, payments, re-imbursements and expenses relating thereto and due, owing or incurred by the Borrower to the Bank from time to time under or in connection with the Facility Letter(s)/ Agreement(s) (hereinafter referred to as the "Secured Liabilities") will be secured by the creation of a hypothecation over the Hypothecated Property (as

hereinafter defined) by the Security Provider in the manner, ranking and priority as contained in Item 6 of Schedule I hereto, in favour of the Bank;

- C. Accordingly, the Security Provider has agreed to execute this Deed upon the terms and conditions hereinafter appearing.

## NOW THEREFORE THESE PRESENTS WITNESSETH THAT:

### 1. DEFINITIONS AND CONSTRUCTION

#### 1.1. Definitions

In these presents unless there is anything in the subject or context inconsistent therewith, the capitalised terms listed below shall have the following meanings:

**"Applicable Law"** shall include all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof;

**"Borrower"** shall mean the person specified in Item 7 of Schedule I hereto;

**"Credit Facility(ies)"** shall have the meaning ascribed to such term in Recital A above;

**"Encumbrance(s)"** shall have the meaning ascribed to such term in Clause 5.2 below;

**"Facility Letter(s)/ Agreement(s)"** shall mean the sanction letter(s)/facility agreement(s), the particulars of which are mentioned in Item 5 of Schedule I hereto, as the same may be modified or amended from time to time;

**"Governmental Authority"** shall include the President of India, the Government of India, the Governor and the Government of any State in India, any ministry or department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by Applicable Law and any court, tribunal or other judicial or quasi-judicial body, and shall include, without limitation, a stock exchange and any regulatory body;

**"Group Entities"** shall have the meaning ascribed to such term in Clause 14.2 below;

**"Hypothecated Property"** shall mean the property described in Schedule II hereto and shall be deemed to include the Replacement Property identified in Clause 6.1 below and any other property identified as additional security being provided in terms of Clause 7.1 below;

**"Lending Office"** shall mean the branch office of the Bank situated at the location specified in Item 1 of Schedule I hereto;

**"Liabilities"** shall have the meaning ascribed to such term in Clause 14.2 below;

**"Margin"** shall have the meaning ascribed to such term in Clause 7.1 below;

**"RBI"** shall mean the Reserve Bank of India;

**"Receiver"** shall have the meaning ascribed to such term in Clause 8.1 below;

**"Relevant Entities"** shall have the meaning ascribed to such term in Clause 14.2 below;

**"Replaced Property"** shall have the meaning ascribed to such term in Clause 6.1 below;

**"Replacement Property"** shall have the meaning ascribed to such term in Clause 6.1 below;

**"Replacement Security Letter"** shall have the meaning ascribed to such term in Clause 6.1 below;

**"Secured Liabilities"** shall have the meaning ascribed to such term in Recital B above;

**"Tax"** shall mean all present and future taxes on income and other taxes, including interest tax, levies, rates, imposts, duties, deductions, charges, GST and withholdings whatsoever imposed by any Governmental Authority or authority having power to impose taxes and all penalties, fines, surcharges, interest or other payments on or in respect thereof and **"Tax"** and **"Taxation"** shall be construed accordingly; and

**"Top-Up Security Letter"** shall have the meaning ascribed to such term in Clause 7.1 below.

## 1.2. Interpretation

In this Deed, unless the context otherwise requires:

- a. words denoting the singular shall include the plural and vice versa;
- b. the pronouns "he", "she", "it" and their cognate variations are used as inter changeable and should be interpreted in accordance with the context;
- c. words denoting a Person shall include an individual, corporation, company, partnership, trust or other entity; however clauses specifically applicable to a company or body corporate shall not apply to any other entity;
- d. headings and bold typeface are inserted/ used for convenience only and shall not affect the construction of this Deed;
- e. references to the word "include" or "including" shall be construed without limitation;
- f. reference to an "amendment" includes a supplement, modification, novation, replacement or re-enactment and "amended" is to be construed accordingly;
- g. reference in this Deed to a statutory provision shall include that provision as amended from time to time and any rules, regulation or other subordinate legislation made in pursuance thereof as from time to time modified or re-enacted, whether before or after the date hereof;
- h. an "authorisation" includes an authorisation, consent, clearance, approval, permission, resolution, license, exemption, filing and registration;
- i. reference to a sub-clause of this Deed shall denote a reference to such sub-clause as specified;
- j. the words 'hereof', 'herein', and 'hereto' and words of similar import when used with reference to a specific clause or sub-clause in this Deed shall refer to such clause or sub-clause in this Deed and when used otherwise than in connection with specific clauses, sub-clauses shall refer to this Deed as a whole;
- k. reference to Schedules means the schedules to this Deed;
- l. recitals of and schedules to this Deed shall form an integral part hereof.

## 2. COVENANT TO PAY

In pursuance of the Facility Letter(s)/ Agreement(s) and in consideration of the Bank having granted and / or agreed to grant the Credit Facility(ies) to the Borrower for the purposes, and subject to the terms and conditions set out in Facility Letter(s)/ Agreement(s) and in consideration of the premises, the Security Provider does hereby covenant with the Bank that it shall pay and discharge the Secured Liabilities to the Bank in the manner set out in the Facility Letter(s)/ Agreement(s).

## 3. CHARGE AND HYPOTHECATION

In pursuance of the Facility Letter(s)/ Agreement(s) and in consideration of the Bank having granted and/or agreed to grant the Credit Facility(ies) to the Borrower, the Security Provider doth hereby hypothecate the Hypothecated Property as specified in Schedule II hereto in the manner, ranking and priority as contained in Item 6 of Schedule I hereto, as security for the due payment/ repayment of the Secured Liabilities and the performance by the Borrower of all of its obligations under the Facility Letter(s)/ Agreement(s).

## 4. SECURITY

### 4.1. Continuing Security

- a. The security created by or pursuant to these presents is a continuing security and shall remain in full force and effect until all the Secured Liabilities have been paid and discharged in full in accordance with the terms of the Facility Letter(s)/ Agreement(s), notwithstanding:
  - i. any intermediate payment or settlement of account or other matter or thing whatsoever and in particular the intermediate satisfaction by the Borrower of the whole or any part of the Secured Liabilities in accordance with the terms of the Facility Letter(s)/ Agreement(s);
  - ii. grant of any time, indulgence, concession, waiver, forbearance or consent at any time given to the Borrower;
  - iii. any amendment, modification or supplement to this Deed, the Facility Letter(s)/ Agreement(s) or any other agreement, guarantee, indemnity, right or remedy or lien
  - iv. any delay on the part of the Bank in applying or appropriating the Hypothecated Property or any part thereof towards payment or discharge of the Secured Liabilities or any part thereof;
  - v. the making or forbearing to make any demand on the Borrower and/or Service Provider for payment;
  - vi. the enforcement of or forbearance to enforce this Deed or any other agreement, lien, guarantee, indemnity, right, remedy or security interest;
  - vii. the taking, existence or release of any other agreement, guarantee, indemnity, right, remedy or security interest;
  - viii. the winding-up (voluntary or otherwise), merger, amalgamation, reconstruction or reorganisation of the Borrower or Security Provider (or the commencement of any of the foregoing);
  - ix. take-over of the management or nationalisation of the undertaking of the Borrower or Security Provider;

- x. any change in the constitution of the Borrower/ the Security Provider or in any partnership constituting the Borrower/ the Security Provider or by the death, bankruptcy, insanity, liquidation, winding up, insolvency, administration or any other disability or incapacity whatsoever and howsoever arising of, or any circumstance and event whatsoever arising as aforesaid in relation to, the Borrower / or the Security Provider or any one or more of the persons comprising the Borrower/ the Security Provider;
- xi. the illegality, invalidity or any defect in any provision of this Deed, or any other agreement, security interest, guarantee, indemnity, right or remedy or lien, or any of the obligations of any of the parties thereunder;
- xii. the illegality, invalidity or unenforceability of the Secured Liabilities or any part thereof or the illegality, invalidity or unenforceability or any defect in any provision of the Facility Letter(s)/ Agreement(s); or
- xiii. any other matter or thing whatsoever relating to this Deed.

#### 4.2. Other Security

- a. The security created herein is in addition and without prejudice, to any other security, guarantee, undertaking, lien, indemnity or other right or remedy which the Bank may now or hereafter hold for the Secured Liabilities or any part thereof.
- b. This security shall neither be merged in, nor in any way exclude, or be affected by any other security interest, right of recourse or other right whatsoever (or the invalidity thereof) which the Bank may now or at any time hereafter hold or have (or would apart from this security hold or have) as regards the Borrower or any other person in respect of the Secured Liabilities.

#### 4.3. Cumulative Powers

- a. The powers which this Deed confers on the Bank and any Receiver appointed hereunder are cumulative, without prejudice to their respective powers under Applicable Law and the terms of the Facility Letter(s)/ Agreement(s), and may be exercised as often as the Bank or the Receiver thinks appropriate in accordance with these presents.
- b. The Bank or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever; and the Borrower acknowledges that the respective powers of the Bank and the Receiver shall in no circumstances whatsoever be suspended, waived or otherwise prejudiced by anything other than an express waiver or variation in writing by the Bank or Receiver as relevant.

#### 4.4. Avoidance of Payments

If any amount paid by the Borrower in respect of the Secured Liabilities is avoided or set aside on the winding-up, liquidation or dissolution or administration of the Borrower or otherwise, then for the purpose of this Deed such amount shall not be considered to have been paid when such payment is returned to the Borrower or any other claimant by the Bank.

### 5. REPRESENTATIONS AND UNDERTAKINGS OF THE SECURITY PROVIDER

- 5.1. The Security Provider further represents and warrants to the Bank that as of the date hereof and on each date throughout the continuance of this Deed:
  - a. this Deed has been duly and validly executed and delivered by the duly authorised representatives of the Security Provider and constitutes legal, valid and binding obligations of the Security Provider, enforceable against the Security Provider in accordance with its terms;

- b. all permissions/ approvals/ consents necessary or required on the part of the Security Provider have been taken to authorise and empower the Security Provider to enter into and perform its obligations under this Deed;
  - c. the execution, delivery and performance by the Security Provider of this Deed and the acts and transactions contemplated hereby do not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under:
    - i. any Applicable Law to which the Security Provider is subject;
    - ii. any order, judgment or decree applicable to the Security Provider; or
    - iii. any term, condition, covenant, undertaking, agreement or other instrument to which the Security Provider is a party or by which the Security Provider is bound;
  - d. (where the Security Provider is a company) the execution and delivery by the Security Provider of this Deed has been duly authorised by all requisite corporate actions including but not limited to the actions required to be taken under the Companies Act, 2013 and the hypothecation over the Hypothecated Properties has been created by the Security Provider in the ordinary course of its business;
  - e. the Security Provider is the sole legal and beneficial owner of the Hypothecated Property;
  - f. the Security Provider has full right to hypothecate the Hypothecated Properties in favour of the Bank
  - g. there is no prohibition, order, or any suit/s pending before any court, or tribunal, which would materially adversely affect the ability of the Security Provider to meet and carry out its obligations under this Deed;
  - h. no Tax proceedings are pending against the Security Provider including without limitation under the Income Tax Act, 1961 and the permission of the assessing officer is not required under Section 281 of the Income Tax Act, 1961 for the execution and the performance of this Deed by the Security Provider;
  - i. all information set forth in this Deed and other related deeds and documents and all information furnished by the Security Provider to the Bank is true and correct and is not/shall not be misleading whether by reason of omission to state a material fact or otherwise
- 5.2. The Security Provider shall not at any time create or attempt to create any Encumbrance upon /in respect of the Hypothecated Property or any part thereof, without obtaining the prior written consent of the Bank. The Security Provider shall not permit or suffer to be done any act or thing which may adversely affect or prejudice the Bank's security thereon. The Security Provider shall not any time assign or transfer or deal with or create or permit to be created any assignment or transfer of the Hypothecated Property, without obtaining the prior written consent of the Bank.
- 5.3. The Security Provider shall, at all times, during the continuance of these presents and the charge hereby created duly and punctually pay any imposts, duties, Taxes, premia and outgoings which become lawfully payable by the Security Provider in respect of the Hypothecated Property and shall prevent any part of such Hypothecated Property from becoming charged with the payment of any imposts, duties and Taxes lawfully payable by the Security Provider. The Security Provider shall also pay duly and punctually all dues, rents, rates, Taxes, payments and outgoings in respect of the premises wherein the said fixed assets are stored.
- 5.4. The Security Provider shall take all necessary and requisite actions, including the making of all filings with

the relevant authorities including the Registrar of Companies within the period(s) permitted under Applicable Law, in order to perfect the charge hereby created by the Security Provider.

- 5.5. The Security Provider shall not remove or cause or permit to be removed any of the Hypothecated Property from the place/ factory premises where such Hypothecated Property is presently installed/stored/ save and except the machinery which is obsolete, nor shall the Security Provider divert or cause or permit any of the said Hypothecated Property to be diverted while in transit to be brought into or stored at the said place/factory premises.
- 5.6. In the event that the charge created hereunder is a floating charge and such charge is created over Hypothecated Property comprising of the property specified in Schedule II hereto, the provisions of this Clause 5.6 shall apply, notwithstanding the restrictions contained in Clause 5.2 above.
- 5.7. The Security Provider shall if so required by the Bank cause and in default the Bank itself may cause a board or boards with the name of the Bank legibly and distinctly printed or written thereon to be placed and at all times maintained in a conspicuous position upon the Hypothecated Property or any part thereof or upon and within factory/ godown/ premises or other places where the Hypothecated Property is kept or shall be brought during the continuance of this Deed and duly and punctually pay all dues, rents, rates, Taxes, payment and outgoings in respect of the above premises in or on which the Hypothecated Property may for the time being be lying.
- 5.8. The Security Provider shall, at its own expense, keep the Hypothecated Property in marketable and good condition and ensure that all assets comprised in the Hypothecated Property, as having an insurable nature, are insured against any loss or damage by theft, fire, lightning, earthquake, explosion, flood, and such other risks as the Bank shall from time to time stipulate. The Security Provider shall deliver to the Bank, copies of the insurance contracts with the name of the Bank duly endorsed thereon as the loss payee and maintain such insurance throughout the continuance of these presents and deliver to the Bank the renewal receipts thereof. The Security Provider shall also duly and punctually pay all premia and shall not do or suffer to be done or omit to do or be done any act which may invalidate or avoid such insurance. All sums received under any such insurance policies taken out in respect of the Hypothecated Property shall be applied towards liquidation of the Secured Liabilities due to the Bank.
- 5.9. In case of default of the Borrower/ Security Provider, the Bank may (but shall not be bound to) keep in good condition and render marketable the Hypothecated Property and take out / renew any insurance policy as referred to hereinabove. Any premium paid by the Bank and any costs, charges and expenses incurred by the Bank shall within 3 (Three) business days of receipt of notice of demand be reimbursed to the Bank and if reimbursed after such 3 (Three) business day period together with interest thereon at the default interest rate as set out in the Facility Letter(s)/ Agreement(s), from the end of such 3 (Three) business day period till reimbursement, by the Security Provider.

## 6. REPLACEMENT OF HYPOTHECATED PROPERTY

- 6.1. So long as no event of default has occurred under the Facility Letter(s)/ Agreement(s), the Security Provider may, if consented to by the Bank, in writing, replace/substitute any of the fixed assets hereby hypothecated comprising part or whole of the Hypothecated Property ("**Replaced Property**") with any other fixed assets of the Security Provider which are acceptable to the Bank provided that the value of the Hypothecated Property after such replacement is sufficient in value to maintain the Margin ("**Replacement Property**"). The Security Provider shall for such replacement issue a letter to the Bank substantially in the format set out in Schedule III hereto describing both the Replaced Property and the Replacement Property ("**Replacement Security Letter**"). The Security Provider shall together with any such Replacement Security Letter also provide a certificate from an independent chartered accountant confirming that the property described in the Replacement Security Letter is unencumbered and the Margin will be maintained after such replacement/ substitution.
- 6.2. It is clarified that any Replacement Property provided will constitute and shall be deemed always to have

constituted a part of the Hypothecated Property and the Replaced Property shall no longer constitute part of the Hypothecated Property.

## 7. **ADDITIONAL SECURITY**

- 7.1. The Security Provider shall, on and from the date hereof until the date on which all the Secured Liabilities have been irrevocably discharged in full, ensure that the value of the Hypothecated Property is maintained (which value for the purposes of this provision shall be the value estimated by the Bank) so as to provide the margin of security as specified in Item 9 of Schedule I hereto ("**Margin**"). In the event that, at any point in time, the value of the Hypothecated Property is not sufficient to maintain the Margin, the Security Provider shall promptly and in no event later than One day from the date of its failure to maintain the Margin, be bound to identify such further movable and immovable property (as is acceptable to the Bank) to form a part of the Hypothecated Property, the value of which when taken together with the value of the other Hypothecated Property is sufficient to maintain the Margin, by notifying the Bank in writing of the same substantially in the format set out in Schedule IV hereto ("**Top-Up Security Letter**"). The Security Provider shall together with any such Top-Up Security Letter also provide a certificate from an independent chartered accountant confirming that the property described in the Top-Up Security Letter is unencumbered and that the Margin will be maintained after such property is included within the ambit of the charge hereby created.
- 7.2. It is clarified that any additional security so provided under the preceding Clause will constitute and shall be deemed always to have constituted a part of the Hypothecated Property. The description of the property comprising the additional security, as specified by the Security Provider to the Bank in the Top-Up Security Letter, addressed to the Bank shall be deemed to be the description of the assets which are to form part of the Hypothecated Property pursuant to Clause 7.1 above and all such Top-Up Security Letter(s) addressed by the Security Provider to the Bank shall be deemed to be a part of Schedule II as if the contents thereof were specifically set out in the said Schedule II.
- 7.3. Pursuant to the creation of additional security under Clause 7.1 above, the Security Provider shall take all steps necessary to perfect such security including filing the necessary forms for recording the modification of charge with the applicable registrar of companies.
- 7.4. [The Security Provider shall provide a certificate from an independent chartered accountant within 10 (Ten) business days from the end of every financial quarter, certifying that the value of the Hypothecated Property is adequate/suitable to maintain the Margin.]

## 8. **APPOINTMENT OF RECEIVER**

- 8.1. At any time after the occurrence of an event of default under the Facility Letter(s)/ Agreement(s) and when the Charge hereby created has become enforceable, the Bank may have a receiver appointed in respect of the Hypothecated Property or any part thereof ("**Receiver**").
- 8.2. The following provisions shall apply to such Receiver:
  - a. Unless otherwise directed by the Bank, the Receiver shall have and exercise all powers and authorities vested in the Bank;
  - b. The Bank shall not incur any liability or responsibility for the acts or omissions of the Receiver by reason of their making or consenting to his appointment as such Receiver.
  - c. Such Receiver shall, in the exercise of his powers, authorities and discretions, conform to the regulations and directions from time to time made and given by the Bank;

- d. The Bank may, from time to time, fix the remuneration of such Receiver and the Security Provider shall be liable for the payment of such remuneration;

## 9. ENFORCEMENT

9.1. Notwithstanding anything contained herein, in the event that the Secured Liabilities become due and repayable by the Borrower to the Bank as per the terms of sanction of the Credit Facility(ies) and as mentioned herein and the Borrower fails to pay the same then the Bank, its officers and agents shall be entitled at any time and without notice to the Borrower or the Security Provider (the Borrower and the Security Provider hereby waive the requirement for any such notice):

- a. at the risk and expense of the Security Provider and if so required as attorneys for the Security Provider and in the name of the Security Provider, enter and remain at any place or premises where or wherein any of the records pertaining to the Hypothecated Property may be kept or stored (and for the purpose of such entry to do all acts deeds or things deemed necessary by the Bank);
- b. inspect, value, insure, take charge of and/or seize, recover, receive, take possession of and/or appoint as receiver for the Hypothecated Property in such manner as the Bank shall think fit and without any notice (the Borrower and the Security Provider hereby waive any such notice);
- c. without any further consent from the Security Provider, sell, or otherwise dispose of /assign or deal with all or any part of the said Hypothecated Property or enter into contracts for such purposes, whether with or without any special conditions or stipulation relative to title or evidence of title or other matters as the Bank may think fit and with power also to execute assurances and give effectual receipts for the purchase money and do all other acts and things for completing the sale which the person or persons exercising the power of sale shall think proper and the aforesaid power shall be deemed to be a power to sell and concur in selling the Hypothecated Property without the intervention of any court of law;
- d. ask, demand, sue for, recover and receive of and from all the constituents, customers, agents and dealers of the Security Provider and all other persons having possession of such fixed assets and effects due and owing to the Security Provider by virtue of any security or upon any balance of account or otherwise howsoever and upon receipt thereof or any part thereof for the Security Provider and in the name of the Security Provider to give, sign and execute good and sufficient receipts, release, reconveyances and other discharges for the same respectively;
- e. upon non-payment, non-transfer or non-delivery thereof or any part thereof respectively to commence, carry on and prosecute any action, suit or other proceedings whatsoever for recovering and compelling the payment, transfer or delivery thereof respectively and for that purpose to engage solicitors and advocates and to settle and pay their fees
- f. settle, compound and submit to arbitration all actions, suits, accounts, claims and demands whatsoever which now are or hereafter shall or may be pending between the Bank and the Borrower or the Security Provider and any such constituent, dealers, agents, customers and all other persons as aforesaid in such manner and in all respects as the Bank shall think fit; and
- g. apply the net proceeds of such sale towards liquidation of all the Secured Liabilities hereby secured in such manner and in such proportion as the Bank may agree.

9.2. The Bank may enforce, realise, settle, compromise and deal with any rights aforesaid (but is not bound to exercise any of these powers) without being liable for any damage or losses in the exercise thereof, without prejudice to the Bank's rights and remedies of suit or otherwise. The Security Provider shall accept the Bank's accounts as sufficient evidence of the amount received on such sale or realisation or receipts and the amount of costs, charges and expenses thereof and the Security Provider shall sign/furnish all

such deeds, documents, papers and furnish such other information and do all such acts, deeds and things as may be required by the Bank in connection with the above and the Borrower and the Security Provider shall also execute such further documents and provide and furnish all information, reports, returns, certificates and statements as may be required by the Bank from time to time in connection with this security.

- 9.3. In respect of fixed assets provided by way of security to the Bank hereunder, the Security Provider shall transfer and deliver to the Bank contracts, securities, bazaar chits, bills, notes, hundies and all other documents and sign all deeds, papers and documents required in connection thereto.
- 9.4. If there shall be a surplus available in the hands of the Bank after payment of the Secured Liabilities hereby secured, such surplus shall be applied by the Bank in payment or liquidation of all and any other monies which shall be or may become due from the Borrower/ Security Provider to the Bank whether solely or jointly with any other person or persons or company.
- 9.5. The Security Provider shall not have any claim whatsoever against the Bank in relation to any act or thing done, omitted, permitted or suffered by the Bank in exercising its rights/powers hereunder and such exercise shall be without prejudice to the Bank's other rights and remedies under Applicable Law and notwithstanding that there may be any pending suit or proceedings relating to the Hypothecated Property.

## 10. ATTORNEY

- 10.1. The Security Provider hereby irrevocably appoints the Bank and each Receiver to be its attorney with full power of substitution and in its name or otherwise on its behalf to sign, seal, execute, deliver, perfect and do all instruments, acts and things which may be desirable or necessary or which the Bank or the Receiver shall think proper or expedient for carrying out any obligations imposed on the Security Provider hereunder or for exercising any of the powers hereby conferred in connection with any sale or disposition of any part of the Hypothecated Property or the exercise of any rights in respect thereof or for giving to the Bank the full benefit of the security created herein and so that the appointment hereby made shall operate to confer on the Bank and the Receiver authority to do on behalf of the Security Provider anything which it can lawfully do as its attorney and without prejudice to the generality of the foregoing the Security Provider has appointed the Bank, *inter alia* to:
  - a. execute and do all acts and things which the Security Provider is authorised to execute and do under the covenants and provisions herein contained;
  - b. generally use the name of the Security Provider in the exercise of all or any of the powers conferred by these presents or by Applicable Law on the Bank or any Receiver appointed by the Bank; and
  - c. execute on behalf of the Security Provider such documents as may be necessary to give effect to the provisions of this Deed and for the preservation, enforcement and realisation of the security interest created hereby.
  - d. The Security Provider ratifies and confirms and agrees to ratify and confirm any instrument, act or thing which such attorney or substitute may execute or do or cause to be done in exercise of the aforesaid powers.

## 11. FURTHER ASSURANCES

The Security Provider agrees and undertakes to execute such other deeds or documents and to perform such other acts as may be required by the Bank to further perfect, protect and/or enforce the charge created hereunder.

## 12. NOTICES

Any demand or notice to be made or given to the Security Provider shall be deemed to have been duly made or given by leaving the same at or posting the same by registered post at the office of the Security Provider at the address mentioned in the signature clause hereof and in the case of the Bank at the office where the Credit Facility(ies) granted to the Borrower are maintained by the Bank and every such demand or notice shall be deemed to be received by the Security Provider or the Bank as the case may be at the time at which it is left or on the expiry of the 4<sup>th</sup> day after date of posting in case of Regd. A. D. post.

### 13. COSTS

The Security Provider shall pay on demand to the Bank all costs, charges, expenses legal or otherwise in connection with creation, preservation, defence and/or realisation of the Hypothecated Property and recoveries of monies hereunder.

### 14. LIEN AND SET OFF

- 14.1. Nothing in this Deed shall be construed as limiting, restricting, making void, negating any right of set off in favour of the Bank existing or arising at common law, by statute or otherwise howsoever.
- 14.2. Notwithstanding anything to the contrary in this Deed or any other document/arrangement: (i) in respect of all and any of the Security Provider's, the Borrowers', their affiliates', group entities', parent entities', associate entities', subsidiaries' (collectively "**Group Entities**"), present and future liabilities (including the Secured Liabilities) to the Bank, its affiliates, group entities, associate entities, parent entities, subsidiaries, any of their branches (collectively "**Relevant Entities**"), whether under this document or under any other obligation/Credit Facility(ies)/facilities/borrowings/document, whether such liabilities are/be crystallised, actual or contingent, primary or collateral or several or jointly with others, whether in same currency or different currencies, whether as principal debtor and/or as guarantor and/or otherwise howsoever (collectively "**Liabilities**"), each of the Bank and the Relevant Entities shall in addition to any general lien or similar right to which any of them as bankers or financial institutions may be entitled by law, practice, custom or otherwise, have a specific and special lien on all the Security Provider's and/or Group Entities' present and future fixed assets, held with or in custody, legal or constructive, with the Bank and/or any Relevant Entities, now or in future, whether in same or different capacity of the Security Provider / any of Group Entities, and whether severally or jointly with others, whether for any banking relationship, safe custody, collection, or otherwise, whether in same currency or different currencies; (ii) separately, each of the Bank and the Relevant Entities shall have the specific and express right, without notice to and without consent of the Security Provider or any of the Group Entities, to set-off, transfer, sell, realise, adjust, appropriate all such amounts in all such accounts and deposits (whether prematurely or upon maturity as per the Bank's discretion), securities, amounts and property as aforesaid, for the purpose of realising or against any of dues in respect of any of the Liabilities whether ear-marked for any particular Liability or not, to combine or consolidate all or any of accounts of any of the Security Provider and Group Entities and set-off any monies, whether of same type or nature or not and whether held in same capacity or not including upon happening of any of the events of default mentioned in any of the documents pertaining to the respective Liabilities or upon any default in payment of any part of any of the Liabilities; and (iii) the Bank and the Relevant Entities shall be deemed to have and hold and continue to have first charge on any assets including any deposit on which security has been/will be created in respect of the Credit Facility(ies), as security also for any of the other Liabilities and all the rights and powers vested in the Bank in terms of any security or charge created for the Credit Facility(ies) shall be available to the Bank and/or the Relevant Entities also in respect of such other Liabilities, irrespective of whether the Credit Facility(ies) is at any time outstanding, repaid or satisfied or not and even after the Credit Facility(ies) has been repaid or prepaid.
- 14.3. Without prejudice to the aforesaid, the Security Provider agrees to submit to the Bank irrevocable letters of consent from the Security Provider's respective Group Entities granting the said rights including of lien and set off.

## 15. DISCLOSURES OF INFORMATION AND INSPECTION RIGHTS

15.1. The Borrower shall furnish to the Bank whenever required by the Bank full and correct particulars/ statements of all the Hypothecated Property and shall allow the Bank or its authorised agents to take inspection of all the books of accounts and will produce such evidence as the Bank may require as to the value thereof. In respect of the Hypothecated Property the Security Provider shall furnish to the Bank whenever required by the Bank full and correct particulars / statements of all the Hypothecated Property viz. the quantity, description and the market value thereof, the place where such Hypothecated Property is stored for the time being or whether such Hypothecated Property is in transit and is insured as provided herein and shall allow the Bank or its authorised agents to take inspection of such Hypothecated Property and of all records and will produce such evidence as the Bank may require as to the cost and value thereof. The Security Provider also authorises the Bank to have all or any of the Hypothecated Property valued at the expense of the Security Provider by an appraiser/valuer to be appointed by the Bank and shall pay to the Bank on demand fees or other costs charges and expenses of and incidental to such inspection or valuation (the Bank's statement being conclusive). The Bank may be at liberty to debit the amount thereof to the account of the Borrower in the Bank's books and the same shall be treated as advance until payment thereof.

15.2. The Security Provider understands that as a pre-condition relating to grant of the Credit Facility(ies) to him/her/it, the Bank requires consent of the Security Provider for the disclosure by the Bank of information and data relating to his/her/it of the Credit Facility(ies) availed / to be availed, by him/her/it, obligations assumed / to be assumed, by him/her/it, in relation thereto and default, if any, committed by him/her/it, in discharge thereof.

15.3. Accordingly, the Security Provider hereby agrees and give consent for the disclosure by the Bank of all or any such:

- a. Information and data relating to him/her/it;
- b. Information or data relating to any credit facility availed of / to be availed, by him/her/it; and
- c. Default, if any, committed by him/her/it, in discharge of his/her/its such obligation,

as the Bank may deem appropriate and necessary to disclose and furnish to Credit Information Bureau (India) Limited, any other agency authorised in this behalf by RBI and any other bank as may be determined by the Bank.

15.4. The Security Provider undertakes that:

- a. the Credit Information Bureau (India) Limited, any other agency so authorised and any other bank as may be determined by the Bank may use and process the said information and data disclosed by the Bank in the manner as deemed fit by them; and
- b. the Credit Information Bureau (India) Limited, any other agency so authorised and any other bank as may be determined by the Bank may furnish for consideration, the processed information and data or products thereof prepared by them, to banks / financial institutions and other credit grantors or registered users, as may be specified by the RBI in this behalf.

15.5. Notwithstanding the aforesaid, Security Provider hereby gives specific consent to the Bank for disclosing / submitting the 'Financial Information' as defined in Section 3 (13 ) of the Insolvency and Bankruptcy Code, 2016 ('Code') read with the relevant Regulations/ Rules framed under the Code, as amended and in force from time to time and as specified there under from time to time, in respect of the securities created by us for securing the Credit Facilities availed by the Borrower from the Bank, from time to time, to any 'Information Utility' ( 'IU' for brief ) as defined in Section 3 ( 21 ) of the Code, in accordance with the relevant Regulations framed under the Code, and directions issued by Reserve Bank of India to the banks from time to time and hereby specifically agree to promptly authenticate the 'Financial Information submitted by the Bank, as and when requested by the concerned 'IU' .

## 16. GOVERNING LAW AND DISPUTE RESOLUTION

- 16.1. This Deed shall be construed in accordance with the laws of India. The Bank and the Security Provider expressly agree that all disputes arising out of and /or relating to this Deed including any related documents shall be subject to the exclusive jurisdiction of the Courts/Tribunals of the place/ governing the place in which the Lending Office is situated. Provided that to the extent allowed by law, the Bank shall be entitled to take proceedings relating to a dispute in any Courts/Tribunals of any other place which has jurisdiction. Provided further that if any dispute arising under this Agreement is below the pecuniary jurisdiction limit of the Debts Recovery Tribunals established under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, then such dispute shall be referred to arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as may be amended, or its re-enactment, by a sole arbitrator, appointed by the Bank. The arbitration proceedings shall be conducted in English language. The award passed by the arbitrator shall be final and binding on the Parties. The cost of such arbitration shall be borne by the losing Party or otherwise as determined in the arbitration award. The venue of arbitration shall be the city in which the Lending Office is situated or such other place as may be determined by the Bank. If a party is required to enforce an arbitral award by legal action of any kind, the party against whom such legal action is taken shall pay all reasonable costs and expenses and attorneys fees, including any cost of additional litigation or arbitration taken by the party seeking to enforce the award.
- 16.2. The Security Provider acknowledges that the Bank is entitled to certain rights in respect of enforcement of the charge hereby created under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and agrees and confirms that the Bank shall be entitled to freely exercise all such rights which shall not in any manner be prejudiced or affected by these presents.
- 16.3. Any dispute arising out of or in connection with this agreement, shall be resolved as per the laws prevailing in India within the jurisdiction of New Delhi.

## 17. BENEFIT OF THIS DEED

This Deed shall continue to bind the Security Provider notwithstanding any amalgamation or reconstruction of the Bank with any other bank or company and the security created hereunder shall be available and inure for the benefit of the successors and assigns of the Bank.

## 18. MISCELLANEOUS

- 18.1. The Bank shall not in any way be responsible in respect of the quantity, quality, value and condition of the Hypothecated Property if such Hypothecated Property is or happens to be in possession of the Bank and for any loss, destruction or deterioration thereof or damage thereto occasioned by theft, pilferage, robbery, fire, riot and civil commotion, malicious damage or otherwise howsoever whatsoever may be the circumstances or the reasons under or for which the loss, destruction, deterioration or damage may arise, including any act, omission, negligence, default of any of its servants or nominees or agents. However, bank/Investor shall take all necessary action to protect the hypothecated property as it takes care of its own property.
- 18.2. For all purposes, including any legal proceedings, a certificate by any of the Bank's officers as to the Secured Liabilities for the time being owing to the Bank by the Security Provider shall be conclusive evidence thereof against the Security Provider.

18.3. If the Borrower has repaid the Secured Liabilities in full and the Security Provider has paid off the liabilities hereunder to the Bank, but the Borrower / the Security Provider is indebted to the Bank for any sum either as principal debtor and/or as guarantor and/or otherwise howsoever to the Bank, the Bank shall be entitled to hold and continue to have exclusive charge on the Hypothecated Property for the said indebtedness and all the powers vested in the Bank hereunder shall be available to the Bank for the said indebtedness.

18.4. In the event that any of the terms or provisions of this Deed are or shall become invalid, illegal or unenforceable, the remaining terms and provisions hereof shall survive unaffected.

19. **Acceptance, Signing, Delivery, Execution of this Document/Agreement:**

This document may be accepted by the Borrower physically or electronically, as under:

A. Physical acceptance (wet signature) by the Borrower:

In case the document is accepted physically by the Borrower, the physical signature clauses at the end of this document shall apply. However, in case the document is electronically accepted by the Borrower as mentioned in (B) below, then the physical signature of the Borrower shall not be required and the physical signature fields at the end of the document, though appearing there, shall be treated as non applicable.

B. Electronic acceptance by the Borrower:

In case of electronic acceptance of this document by the Borrower, the following shall apply:

The Borrower hereby expressly acknowledges and confirms that it/its authorized signatory(ies) on its behalf, has/ve read, verified, understood this Document and the Borrower has irrevocably agreed to and accepted, signed and delivered this document including all the terms and conditions contained in this document/terms and conditions/agreement, the Schedules thereto (collectively, "**Document**"), by way of electronic signature (e-sign) or digital signature (of the Borrower in case of an individual, or of the authorized signatories of the Borrower in case of the non-individual) or any electronic authentication technique, and no other further act, deed or writing or any physical or wet signature or acceptance on part of the Borrower shall be required for signing, acceptance and delivery by the Borrower.

The acceptance, signing and delivery by/for and on behalf of the Borrower is complete and absolute as above.

For the purpose of stamp duty, the Bank may optionally designate this document as the principal agreement

or require any extract of any part of it ("**Relevant Extract**") to be designated as the principal agreement and such determination of the Bank would be deemed to be final and binding on the Borrower. The Borrower acknowledges that any writing on the said stamp paper or stamped (including franked/e-stamped) Relevant Extract associating the stamp paper/stamped page (including franked) with this document would be as good as making the stamp paper/stamped page an integral part of this document.

The Borrower also acknowledges that the execution of the agreement would be complete only once the same is accepted by the Bank. The Bank also does not require to sign the Documents in any physical form. Subsequent to signing of the Borrower as above, the Bank shall be deemed to have accepted this document: (i) either, online by way of the Bank sending an email communicating such completion, from its relevant office/branch to the Borrower and attaching therewith the copy of this document, or (ii) by way of counter-signing or initialing at the hands of its officer the Relevant Extract of this document or (iii) by way of by way of electronic signature ( e-sign) or digital signature by its officer.

Upon signing of this Document by the Borrower this document and any electronic copy made by/on behalf of the Bank thereof shall be deemed and treated as an original Document. The Bank may print paper copies of the electronic record or produce in any such form at its discretion, of this Document and/or of logs/records of signing by the Borrower as aforesaid, and the same shall be fully binding on the Borrower. The Borrower has no objection to such print-outs or any such other form (in the discretion of Bank) being produced by the Bank including in evidence in any court, tribunal or otherwise, to prove the signing, acceptance, execution as above, as well as the contents of the contract.

## SCHEDULE I

### Particulars of the Deed of Hypothecation

1.	Place of execution of this Deed/ Lending Office	
2.	Date of execution of this Deed	
3.	Maximum principal amount of credit facility(ies)/ accommodation granted to Borrower	
4.	Nature of Credit Facility(ies) (cash credit / overdraft / working capital demand loan / loan / letter of credit / term loan facilities)/Proceeds from monetization	
5.	Details of the Facility Letter(s)/ Agreement(s)	
6.	Manner, ranking and priority of charge	Pari-passu charge on specific existing & future movable and/or immovable fixed assets of the Company to the extent of 1.0 times of sanctioned amount.
7.	Details of the Borrower	NHPC Ltd
8.	Details of the Security Provider	NHPC Ltd
9.	Margin	cover of 100% of the principal amount

SCHEDULE III

Particulars of the Hypothecated Property

The Hypothecated Property shall comprise of the following:

Sr. No.	Type of Security	Particulars
1	Specific existing & future movable and/or immovable fixed assets	

SCHEDULE III

Format for the Replacement Security Letter

[ON THE LETTERHEAD OF THE SECURITY PROVIDER]

To

[Address]

[Date]

Dear Sir,

Re: Replacement of Hypothecated Property under the Deed of Hypothecation dated \_\_\_\_ entered into between \_\_\_\_ and ..... (“Deed of Hypothecation”)

1. This is with reference to Clause 6.1 of the Deed of Hypothecation.
  
3. Under the Deed of Hypothecation the Security Provider had created a charge over the property more particularly described in Schedule II to the Deed of Hypothecation. Of the property described in Schedule II, the Security Provider is now desirous of replacing the property described in Annexure 1 hereof (“**Replaced Property**”) with the property described in Annexure 2 hereof (“**Replacement Property**”).
  
3. This letter is intended primarily to identify the Replacement Property which as per the Deed of Hypothecation shall form and shall always be deemed to have formed a part of the Hypothecated Property and Schedule II to the Deed of Hypothecation shall be deemed to be modified to include reference to the Replacement Property in terms of Clause 6.2 of the Deed of Hypothecation.

All capitalised terms used herein but not defined, shall have the meanings assigned to them in the Deed of Hypothecation.

Yours sincerely

[Authorised Signatory]

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Encl: as above

Annexure 1

[?]

Annexure 2

[?]

SCHEDULE IV

Format for the Top-Up Letter

[ON THE LETTERHEAD OF THE SECURITY PROVIDER]

To

[Address]

[Date]

Dear Sir,

**Re: Provision of additional security under the Deed of Hypothecation dated [?] issued by [?] in favour of ..... (*"Deed of Hypothecation"*)**

1. This is with reference to your letter dated [?] requiring us to provide additional security in terms of Clause 7.1 of the Deed of Hypothecation for maintenance of the Margin.
2. The property described in Annexure 1 hereof ("**Top-up Property**") shall form and shall always be deemed to have formed part of the Hypothecated Property and Schedule II to the Deed of Hypothecation shall be deemed to be modified to include reference to the Top-up Property in terms of Clause 7.2 of the Deed of Hypothecation.

All capitalised terms used herein but not defined shall have the meanings assigned to them in the Deed of Hypothecation.

Yours sincerely

[Authorised Signatory]

Acknowledged and Confirmed

.....

Encl as above

Annexure 1

For M/s NHPC LIMITED

THE COMMON SEAL of M/s NHPC LIMITED has been hereunto affixed pursuant to the Resolution of its Board of Directors passed in that behalf on the .....day of ..... 2024 in the presence of

1.

SEAL

2.

3.

Who have signed in token thereof for and on behalf of the Company

## **MANUAL FOR ONLINE BIDDING (INSTRUCTIONS TO BIDDERS (ITB))**

### **1.4 Instructions for online bid submission:**

The Techno-commercial Bid and Price Bid to be submitted on-line at Central Public Procurement e-Portal <https://eprocure.gov.in/eprocure/app>. The bidders are required to submit soft copies of their bids electronically on the Central Public Procurement (CPP) Portal, using valid Digital Signature Certificates. The instructions given below are meant to assist the bidders in registering on the CPP Portal, prepare their bids in accordance with the requirements and submitting their bids online on the CPP Portal.

#### **1.4.1 Registration:**

- i) Bidders are required to enroll on the e-Procurement module of the Central Public Procurement Portal by using the “Online Bidder Enrollment” option available on the home page. **Enrolment on the CPP Portal is free of charge.**
- ii) During enrolment/ registration, the bidders should provide the correct/ true information including valid email-id & mobile no. All the correspondence shall be made directly with the contractors/ bidders through email-id provided.
- iii) As part of the enrolment process, the bidders will be required to choose a unique username and assign a password for their accounts.
- iv) For e-tendering possession of valid Digital Signature Certificate (Class II or Class III Certificates with signing key usage) is mandatory which can be obtained from SIFY/ nCode/ eMudra or any Certifying Authority recognized by CCA India on eToken/ SmartCard.
- v) Upon enrolment on CPP Portal for e-tendering, the bidders shall register their valid Digital Signature Certificate with their profile.
- vi) Only one valid DSC should be registered by a bidder. Bidders are responsible to ensure that they do not lend their DSCs to others which may lead to misuse and should ensure safety of the same.
- vii) Bidders can then log into the site through the secured login by entering their user ID/ password and the password of the DSC/ eToken.

#### **1.4.2 Searching for Tender documents:**

- i) There are various search options built in the CPP Portal, to facilitate bidders to search active tenders by several parameters. These parameters could include Tender ID, Organization Name, Location, Date, Value, etc. There is also an option of advanced search for tenders, wherein the bidders may combine a number of search parameters such as Organization Name, Form of Contract, Location, Date, Other keywords etc. to search for a tender published on the CPP Portal.

- ii) Once the bidders have selected the tenders they are interested in, they may download the required documents/ tender schedules. These tenders can be moved to the respective 'My Tenders' folder. This would enable the CPP Portal to intimate the bidders through SMS/ e-mail in case there is any corrigendum issued to the tender document.
- iii) The bidder should make a note of the unique Tender ID assigned to each tender in case they want to obtain any clarification/ help from the Helpdesk.

### **1.4.3 Preparation of Bids:**

Technical Bid and Price Bid to be submitted on-line at

<https://eprocure.gov.in/eprocure/app>.

- i) For preparation of bid Bidders shall search the tender from published tender list available on site and download the complete tender document and should take into account corrigendum if any published before submitting their bids. After selecting the tender document same shall be moved to the 'My favourite' folder of bidders account from where bidder can view all the details of the tender document.
- ii) Bidder shall go through the tender document carefully to understand the documents required to be submitted as part of the bid. Bidders shall note the number of covers in which the bid documents have to be submitted, the number of documents – including the names and content of each of the document that need to be submitted. Any deviations from these may lead to rejection of the bid.
- iii) Any pre-bid clarifications if required, then same may be obtained online through the tender site, or through the contact details given in the tender document.
- iv) Bidders should get ready in advance the bid documents in the required format (PDF/xls/rar/dwf/jpg formats) to be submitted as indicated in the tender document/schedule. Bid documents may be scanned with 100 dpi with black and white option which helps in reducing size of the scanned document.
- v) To avoid the time and effort required in uploading the same set of standard documents which are required to be submitted as a part of every bid, a provision of uploading such standard documents (e.g. PAN card copy, Annual Reports, Auditor Certificates etc.) has been provided to the bidders. Bidders can use "My Space" or "Other Important Documents" area available to them to upload such documents. These documents may be directly submitted from the "My Space" or "Other Important Documents" area as per tender requirements while submitting the bid and need not be uploaded again and again. This will lead to reduction in the time required for bid submission process.

### **1.4.4 Submission of Bids:**

Two-Part Bid procedure shall be adopted for submission and evaluation of the bids. The Bidder shall accordingly prepare and submit the bids containing the required documents up to the date and time given in NIT. The bidder shall prepare the bid and submit the bid in following manner:

- i) Bidder should log into the site well in advance for bid submission so that he/ she upload the bid in time i.e. on or before the bid submission time.
- ii) Bidder should prepare the Tender Fee and EMD as per the instructions specified in the NIT/ tender document. The details of the DD/BC/BG/ others physically sent, should tally with the details available in the scanned copy and the data entered during bid submission time. Otherwise the uploaded bid will be rejected.
- iii) While submitting the bids online, the bidder shall read the terms & conditions (of CPP portal) and accepts the same in order to proceed further to submit their bid.
- iv) Bidders shall select the payment option as offline to pay the Tender Fee/ EMD and enter details of the DD/BC/BG/others.
- v) Bidder shall digitally sign and upload the required bid documents one by one as indicated in the tender document.
- vi) Bidders shall note that the very act of using DSC for downloading the tender document and uploading their offers is deemed to be a confirmation that they have read all sections and pages of the tender document without any exception and have understood the complete tender document and are clear about the requirements of the tender document.
- vii) Bidder shall note that each document to be uploaded for the tender should be less than 2 MB. Bid documents may be scanned with 100 dpi with black and white option which helps in reducing size of the scanned document. For the file size of less than 1 MB, the transaction uploading time will be very fast.
- viii) If price quotes are required in XLS format, utmost care shall be taken for uploading Schedule of quantity & Price and any change/ modification of the price schedule shall render it unfit for bidding.

Bidders shall download the Bill of Quantities, in XLS format and save it without changing the name of the file. Bidder shall quote their rate in figures in the appropriate cells, thereafter save and upload the file in financial bid cover (Price bid) only. If the template of Bill of Quantities file is found to be modified/ corrupted in the eventuality by the bidder, the bid will be rejected. The bidders are cautioned that uploading of financial bid elsewhere i.e. other than in Cover-II will result in rejection of the tender.

- ix) Bidders shall submit their bids through online e-tendering system to the Tender Inviting Authority (TIA) well before the bid submission end date & time (as per Server System Clock). **The TIA will not be held responsible for any sort of delay or the difficulties faced during the submission of bids online by the bidders at the eleventh hour.**
- x) After the bid submission (i.e. after Clicking “Freeze Bid Submission” in the portal), the bidders shall **take print out of system generated acknowledgement number**, and keep it as a record of evidence for online submission of bid, which will

also act as an entry pass to participate in the bid opening.

- xi) Bidders should follow the server time being displayed on bidder's dashboard at the top of the tender site, which shall be considered valid for all actions of requesting, bid submission, bid opening etc., in the e-tender system.
- xii) All the documents being submitted by the bidders would be encrypted using PKI (Public Key Infrastructure) encryption techniques to ensure the secrecy of the data. The data entered cannot be viewed by unauthorized persons until the time of bid opening. The confidentiality of the bids is maintained using the secured Socket Layer 128 bit encryption technology.

#### **1.4.5 ASSISTANCE TO BIDDERS:**

- i) Any queries relating to the tender document and the terms and conditions contained therein should be addressed to the Tender Inviting Authority or the relevant contact person indicated in the tender.
- ii) For any technical queries please call at **24X7 CPP Portal Helpdesk Number 0120-4001062, 0120-4001002, 0120-4001005, 0120-6277787.**  
**E-mail:** support-eproc[at]nic[dot]in

**Note:** Bidders are requested to kindly mention the URL of the Portal and Tender Id in the subject while emailing any issue along with the Contact details.

## Flow Chart for online bidding

