

**SJVN LIMITED**

(A Joint Venture of Govt. of India and Govt. of Himachal Pradesh)

(A 'Mini Ratna' & Schedule 'A' PSU)**Registered Office:** SJVN Limited, Shakti Sadan, Corporate Office Complex, Shanan, Shimla - 171006 (H.P.)**Delhi Office:** 6th Floor, Tower 1, NBCC Commercial Complex, East Kidwai Nagar - 110023**Phone No.** +91 11 61901953

REQUEST FOR QUOTATION FOR SECURITIZATION OF RETURN ON EQUITY OF NATHPA JHAKRI HYDRO POWER STATION BY SJVN LIMITED

1. SJVN Limited (SJVN or Company) has set up Nathpa Jhakri Hydro Power Station (NJHPS), a 1,500 MW (6X 250 MW), run-of-the- river hydropower station located on river Satluj in Shimla and Kinnaur districts of Himachal Pradesh (H.P.). NJHPS is India's largest hydropower plant commissioned in the year 2004 with a Design Energy of 6,612 million units (MU) per year.
2. SJVN, towards its asset monetization commitment under National Monetization Pipeline (NMP), proposes to raise funds by securitizing its Return on Equity (ROE) for the next ~15 years from the NJHPS plant.
3. Bids are hereby invited from Eligible Bidders as set out in the RFQ including but not limited to Mutual Funds / SIDCs / PFIs under section 2(72) of the Companies Act / Insurance Companies / Provident & Pension Funds / NIFs / AIFs / FPIs / FIIs / QFIs / MDBs / FIs / DFIs / Scheduled Commercial Banks / NBFCs.
4. Any eligible bidder may refer to the Request for Quotation for detailed Bid parameters, profile of SJVN and Transaction information uploaded on the website (<https://sjvn.nic.in/>, www.sbicaps.com & <http://eprocure.gov.in>).

5. Brief Detail & Time Schedule:

S. No.	Particulars	Description
I.	RFQ No.	SJVN/CC-Delhi/LO/C&P/4382(A)
II.	RFQ Date	11.09.2023
III.	Description	REQUEST FOR QUOTATION FOR SECURITIZATION OF RETURN ON EQUITY OF NATHPA JHAKRI HYDRO POWER STATION (NJHPS)
IV.	Mode of Tender	OFFLINE Open Tender
V.	Cost of RFQ Document	Nil
VI.	Availability of RFQ Document for downloading	From 11.09.2023 TO 19.10.2023 up-to 15:00 Hrs (IST)

VII.	Last Date and Time for submission of Bids	19.10.2023 by 15:00 Hrs
VIII.	Date & Time of Opening of Bids.	19.10.2023 at 15:30 Hrs
IX.	Date & Venue of Pre-Bid Meeting	20.09.2023 at 11:00 Hrs Venue: Will be communicated separately.
X.	Venue for Opening of Bids	Conference Room, SJVN Limited, 6th Floor, Tower No. 1, Office Block, NBCC Complex, East Kidwai Nagar, New Delhi-110023

6. Interested bidders shall submit their bid as per the format and procedure provided in the RFQ in a sealed envelope, latest by 15:00 Hrs on **19.10.2023**.

7. In case of any clarifications on the RFQ, please write to following officials latest by **20.09.2023**:

- a. Mr. Ashok Kumar Jangid, Senior Manager (F), SJVN - sjvn.contractsdelhi@sjvn.nic.in
- b. Mr. Manish Kanth, Deputy General Manager (DGM), SJVN - sjvn.contractsdelhi@sjvn.nic.in
- c. Mr. Kumar Bibhu, Vice President (VP) - SBI Capital Markets Limited- sjvn_roe@sbicaps.com

Note: SJVN reserves the right to cancel or modify the process without assigning any reason and without any liability. This is not an offer document. Bidders should regularly visit the above-mentioned websites at clause 4 to keep themselves updated regarding clarifications / amendments/time-extensions, if any.

Place: New Delhi

Date: **11.09.2023**

SJVN Limited

Request for Quotation (RFQ)

For

Securitization of Return on Equity of Nathpa Jhakri Hydro Power Station



SJVN Limited

(A Joint Venture of Government of India & Government of Himachal Pradesh)

A 'Miniratna' & Schedule 'A' PSU | ISO 9001:2015 Certified Company

CIN: L40101HP1988GOI008409

Registered Office: SJVN Limited, Shakti Sadan, Corporate Office Complex, Shanan, Shimla - 171006 (H.P.)

New Delhi Office: 6th Floor, Tower 1, NBCC Commercial Complex, East Kidawi Nagar - 110023

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Table of Abbreviations

AFC	Annual Fixed Charges
CERC	Central Electricity Regulatory Commission
CPSU	Central Public Sector Undertaking
DE	Design Energy
DER	Debt Equity Ratio
DISCOM	Distribution Company
EA	Escrow Account
FA	Facility Agreement
FII	Foreign Institutional Investor
FPI	Foreign Portfolio Investor
GoHP	Government of Himachal Pradesh
GoI	Government of India
GW	Giga Watt
HEP	Hydroelectric Plant
H.P.	Himachal Pradesh
HPSEB	Himachal Pradesh State Electricity Board
JV	Joint Venture
MoP	Ministry of Power
NBFC	Non-Banking Financial Company
NJHPS	Nathpa Jhakri Hydropower Station
NMP	National Monetization Pipeline
NSE	National Stock Exchange of India Limited
PAF	Plant Availability Factor
PAT	Profit After Tax
PPA	Power Purchase Agreement
QFI	Qualified Foreign Investor
RFQ	Request For Quotation
ROE	Return on Equity
ROI	Rate of Interest
SAPDC	SJVN Arun-3 Power Development Company
TOL	Total Outside Liabilities
TNW	Tangible Net Worth
WOS	Wholly Owned Subsidiary

Subject: Securitization of Return on Equity of Nathpa Jhakri Hydro Power Station**About SJVN Limited**

SJVN Limited (SJVN or Promoter Company) is a Joint Venture (JV) of Government of India (GoI) (59.92%) and Government of Himachal Pradesh (GoHP) (26.85%). Shares of SJVN are listed on National Stock Exchange (NSE) and BSE Ltd. SJVN is engaged in implementing /operating power plants and power transmission projects in India and neighboring countries. SJVN aims to be a 5,000 MW company by 2023-24, 25,000 MW company by 2030 and 50,000 MW company by 2040. Presently, total project portfolio of SJVN group is ~55,814 MW, out of which 2,091.50 MW is under operation, 4,438 MW is Under Construction, and rest is under Pre-Construction/Survey & Investigation stage. Capacity of 5,097 MW identified by MoP, GoI in Dibang basin of Arunachal Pradesh and Pumped Storage projects (PSPs) of 12,790 MW capacity are under allotment. SJVN Group's operational capacity is as tabulated below:

Table 1: SJVN Operational Capacity

Particulars	Capacity (MW)
Total Operational Capacity	2,091.50
Hydro Power	1,912.00
Wind Power	97.60
Solar Power	81.90

The 1,912 MW hydro power capacity comprises 1,500 MW Nathpa Jhakri Hydro Power Station (NJHPS), which is India's largest Hydro Power Plant and 412 MW Rampur Hydro Power Station (RHPS), both located in Himachal Pradesh.

On standalone basis, the authorized, paid up capital and Net worth of SJVN as on March 31, 2023, was Rs. 7,000.00 crore, Rs. 3,929.80 crore, and Rs.13,821.97 crore respectively. The Revenue from operations and Profit After Tax (PAT) for FY 2023 was Rs. 2,935.41 crore and Rs. 1,363.45 crore respectively. SJVN has been assigned a credit rating of **AA+ Stable** by CARE Ratings for its long-term bank facilities in March 2023 and AA+/Stable by CRISIL for its Bonds in August 2022.

SJVN Financials

A summary of standalone & consolidated financials of SJVN are placed below:

In Rs. Crores

Table 2: SJVN Financial Summary

Particular	Standalone		Consolidated	
	FY2022	FY2023	FY2022	FY2023
Profit & Loss Statement				
Revenue from Operations	2,422	2,935	2,417	2,938
Other Income	204	363	218	344
Total Income	2,626	3,299	2,635	3,282
EBITDA	1,932	2,585	1,944	2,574
EBITDA Margin (%)	74	78	74	78
PBT (Before Exceptional Items)	1,367	1,762	1,379	1,763

Particular	Standalone		Consolidated	
	FY2022	FY2023	FY2022	FY2023
Less: Tax	322	358	326	368
PAT	978	1,363	989	1,359
Balance Sheet				
Non-Current Assets	15,835	17,505	18,321	26,681
Current Assets	4,121	4,813	4,103	4,818
Total Assets	20,780	23,130	23,248	32,311
Share Capital	3,930	3,930	3,930	3,930
Net Worth	13,129	13,822	13,170	13,860
Tangible Net Worth	13,107	13,814	13,148	13,850
Non-Current Liabilities	5,639	7,226	7,453	14,183
<i>Long Term Borrowings</i>	4,797	6,395	6,170	13,248
Current Liabilities	2,013	2,082	2,625	4,269
Total Liabilities	7,652	9,308	10,079	18,452
Key Ratios				
TOL/TNW	0.58	0.67	0.76	1.33
Current Ratio	2.05	2.31	1.56	1.13

Table of SJVN group's operational and under implementation projects is placed at **Annexure-I**.

Current Proposal

SJVN, towards its further asset monetization commitment under NMP, proposes to raise money by partly securitizing its ROE for the next ~15 years. According to the Central Electricity Regulatory Commission (CERC) tariff order 2019-24 for NJHPS, return on equity for such storage hydro-projects is computed at a base rate of 16.50%. The total annual ROE according to CERC order works out to be ~Rs. 826.40 crores for FY 2023-24.

In Rs. Crores

Table 3: NJHPS ROE

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Total ROE	830.99	828.71	827.80	826.97	826.40

This document is being provided to the potential bidders for an overview of the SJVN along with the proposed transaction as well as an invitation from the eligible bidders as detailed below:

Table 4: Important Information to the Bidders

I	Securitization Facility	SJVN receives an ROE of ~Rs. 826 crore per year from NJHPS. SJVN plans to securitize ROE of Rs. 20 crore per month starting from April 2024 till September 2038 amounting to Rs. 3,480 crore over the next ~15 years.
II	Quote required under the Bid*	Bidders are required to quote a Discounting rate (applicable benchmark plus spread)
	Last Date & Time for submission of Bids	19.10.2023 & 03.00 pm

III	Date & Time of Opening of Bids	19.10.2023 & 03.30 pm
IV	Validity of Bid	60 days from last date for submission of bids.

**The quote made by the Bidders should be unconditional and binding with all the necessary approvals from their competent authority. It may further be noted that no additional fee or charges (including upfront fee, processing fee, underwriting fee, management fee, pre-payment penalty, commitment fee etc.) over and above quoted discount rate shall be paid by SJVN.*

About NJHPS

NJHPS (6 X 250 MW) is the country's largest hydropower plant and has been set up on river Satluj in Shimla & Kinnaur districts of H.P. It is a run-of-the river project with a 62.50 m high concrete gravity dam and a 27.39 Km long head race tunnel (HRT). NJHPS has an underground powerhouse having 6 vertical-axis, Francis turbines of 250 MW capacity each installed to utilize a design head of 426 meter. The six units of NJHPS were commissioned in 2003 (500 MW) and 2004 (1,000 MW) with entire station being declared under commercial operation in 2004. The design energy (DE) of NJHPS is 6,612 MUs per year and power generated from NJHPS is supplied to DISCOMs of northern region. The beneficiary states/Union Territories (UT) for the station are J&K, Ladakh, HP, Rajasthan, Punjab, Haryana, Chandigarh, Delhi, Uttar Pradesh, Uttarakhand, & Madhya Pradesh (unallocated quota). The tariff for the station is determined by CERC under its guidelines on cost-plus principles.

SJVN, towards its asset monetization commitment under NMP raised Rs. 2,000.00 crore in FY 2023 by way of securitizing future revenue from select Power Purchase Agreements i.e., Delhi, Chandigarh and Haryana of NJHPS. Annual revenue securitized under this was in the range of ~Rs. 251 crore (in FY 2023) to ~Rs. 329 crore (in FY 2038).

The other key details about the Power Station are as below:

a. Power Purchase Agreement (PPA):

The beneficiary states/UTs of PPA executed are as below:

Table 5: PPA Validity Table

S. No.	State	PPA validity till [Residual Tenor]
1.	Himachal Pradesh	
1.1.	HPSEB	2044 [22 Years]
1.2.	GoHP	2039 [17 Years]
2.	Chandigarh [#]	2039 [17 Years]
3.	Delhi [#]	2039 [17 Years]
4.	Haryana [#]	2039 [17 Years]
5.	Jammu & Kashmir [*]	2024 [02 Years]
6.	Punjab	2039 [17 Years]
7.	Rajasthan	2039 [17 Years]
8.	Uttar Pradesh	2039 [17 Years]
9.	Uttarakhand	2039 [17 Years]

[#]Securitized under Tranche I

^{*}Renewable after every 5 Year; Supply to UT of Ladakh is also included in J & K share

Here it may be noted that the useful life of a hydropower project was considered as 35 years by CERC. The various PPAs executed by NJHPS have a validity period co-terminus with the useful life consideration of 35 years. However, same has been revised by CERC to 40 years for all hydropower plants in its recent tariff guidelines for control period 2019 - 24. Based on this, the useful life of NJHPS is till the year 2044. The percentage sharing of power generated from NJHPS amongst states/UTs as notified by Ministry of Power (MoP) is as below:

Table 6: Power Sharing among states

S. No.	Beneficiary State/UTs	MW	Percent (%)
1	Himachal Pradesh	547	36.47*
2	Uttar Pradesh	221	14.73
3	Delhi	142	9.47
4	Punjab	114	7.60
5	Rajasthan	112	7.47
6	Jammu & Kashmir	105	7.00
7	Haryana	64	4.27
8	Uttarakhand	38	2.53
9	Chandigarh	8	0.53
10	Unallocated quota at the disposal of the GoI	149	9.93
	Total	1500	100.00

*Includes 12% Free Power and 1% Local Area Development Funds (LADF)

Free Power: The power from NJHPS was allocated as per the Power sharing formula circulated by MoP, GoI in April 2000, under which H.P. as a home state is entitled to 12% free power. In addition to this, 1% power generated from the station is also provided free in lieu of LADF.

b. Capital Cost

The capital cost for NJHPS as on March 31, 2019, approved by CERC in its order dated September 16, 2021, in tariff petition no. 30/GT/20201 (<https://cercind.gov.in/2021/orders/30-GT-2020.pdf>) is Rs. 8,864.27 crore. The Capital Cost at the end of every year during the Tariff Period (FY 2020 – FY 2024) after adjusting for capitalization/decapitalization is as below:

In Rs. Crores

Table 7: NJHPS Capital Cost

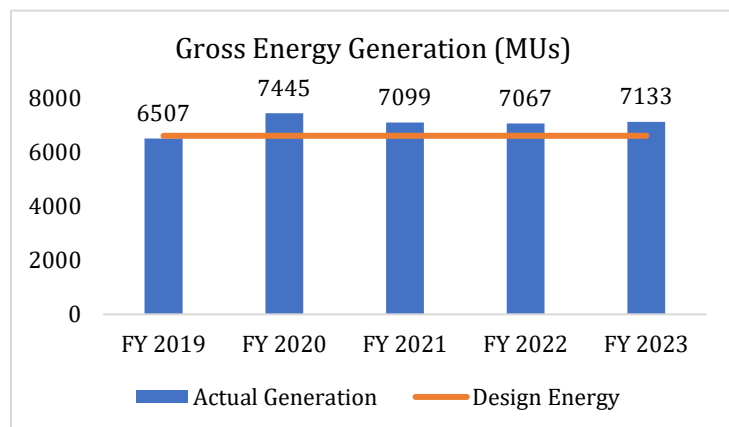
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Capital Cost	8,864.26	8,813.47	8,809.06	8,784.58	8,782.41
Net Add Capitalization during year	(-)50.79	(-)4.40	(-)24.48	(-)2.17	(-)16.91
Closing Capital Cost	8,813.47	8,809.06	8,784.58	8,782.41	8,765.49

Source: CERC Tariff Order Dated September 16, 2021

c. NJHPS Power Generation Trend

The year-on-year gross power generation of NJHPS against a design energy of 6,612 MU is placed on the following page:

Figure 1: NJHPS Gross Energy Generation Trend



d. Past Energy Generation

Month wise actual generation for 5 years against design energy is as below:

Table 8: NJHPS Month wise Energy Generation Trend

Month	Design Energy (MU)	Actual Generation (MU)				
		2018-19	2019-20	2020-21	2021-22	2022-23
April	353	281	541	326	250	426
May	865	514	775	726	545	741
June	986	1,065	1,149	1,088	1,073	923
July	1,060	1,154	1,182	1,213	1,217	1,181
August	1,060	949	1,113	1,174	1,184	1,130
September	685	937	1,022	1,014	1,001	1,039
October	465	466	4723	465	559	518
November	345	309	311	282	321	314
December	219	239	243	230	251	239
January	195	205	211	201	218	207
February	147	174	190	171	180	188
March	231	214	235	209	270	225
Total	6,612	6,507	7,445	7,099	7,067	7,133
Primary Energy (MUs)		6,507	6,612	6,612	6,612	6,612
Secondary Energy (MUs)		0	833	487	455	521

e. PAF Details

The average availability of NJHPS's in the past 5 years has been ~106% against the Normative Annual Plant Availability of 90%. Month wise actual Plant Availability for past years is tabulated below:

Table 9: NJHPS PAF Trend

Year/ Month	NAPAF (%)	Actual PAF (%)				
		2018-19	2019-20	2020-21	2021-22	2022-23
April		108	108	107	110	110
May		108	108	108	110	110

Year/ Month	NAPAF (%)	Actual PAF (%)					
		2018-19	2019-20	2020-21	2021-22	2022-23	
June	90	108	108	108	110	110	
July		104	108	109	110	110	
August		86	104	109	109	105	
September		108	108	109	110	110	
October		106	102	109	110	110	
November		103	108	109	110	110	
December		88	108	109	110	110	
January		106	106	97	92	103	
February		108	94	91	90	91	
March		108	102	97	107	99	
Annual		90	104	105	105	107	107

Here it may be noted that PAF of a hydropower station for the purpose of estimation of tariff is considered on annualized basis.

f. Tariff Calculation

Being a central government owned generation company, the tariff of HPS of SJVN is determined by CERC as per its tariff regulations issued from time to time. At present, CERC Terms & Condition of Tariff Regulation, 2019 is applicable for the control period 2019-24. Based on approved tariff order for the period 2019-24 for NJHPS, the Annual Fixed Charges (AFC) are as mentioned below:

In Rs. Crores

Table 10: NJHPS Tariff Calculation

Particulars		2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	A	87.49	86.43	85.85	85.28	84.87
Interest on Loan	B	-	-	-	-	-
Return on Equity	C	830.99	828.71	827.80	826.97	826.40
O&M Expenses	D	364.51	381.88	400.09	419.16	439.14
Interest on WC	E	29.70	28.41	27.16	27.87	28.56
AFC	F = Sum A:E	1,312.69	1,325.43	1,340.89	1,359.27	1,378.97

Transaction

1. Transaction Overview

SJVN proposes to securitize its part ROE generated for the next ~15 years from NJHPS. Main features of the Transaction are as under:

Table 11: Main Features of Transaction

Particulars	Details
<p>i. Securitization Facility</p>	<p>Future ROE: SJVN generates an ROE of ~Rs. 826 crore from NJHPS every year. SJVN plans to securitize ROE of Rs. 20 crore per month starting from April 2024 till September 2038 amounting to Rs. 3,480 crore over the next ~15 years. This future ROE is proposed to be securitized from Banks/Financial Institutions and other Eligible Bidders.</p>
<p>ii. Amount of Securitization Facility</p>	<p>Securitization Facility shall be computed by discounting the monthly fixed payout of ROE aggregating to Rs. 240.00 crore in a year at the Discounting Rate quoted by the Successful Bidder.</p> <p>Bidders are to quote a discounting rate for providing the Securitization Facility and discounted value of Monthly ROE of Rs. 20.00 crore (repayable to the bidders in equal monthly amounts over a period of next ~15 years starting from April 2024 till September 2038) at the Discounting Rate (DR) quoted by the Bidder, as per the formula given below; this shall be the Securitization Facility to be availed from the Successful Bidder.</p> $P = M \times (1 - (1 / (1 + (r/12)) ^ n)) / (r/12)$ <p>where:</p> <p>P = Amount of Securitization Facility M = Monthly ROE (i.e., Rs. 20.00 crore) r = Discount Rate to be quoted (p.a.) n = Number of months (i.e., 174)</p> <p>For example, at a discount rate of 7.40% p.a., the amount of Securitization Facility works out to Rs. 2,130.46 crore and at a discount rate of 7.80% p.a., the amount of Securitization Facility works out to Rs. 2,080.33 crore (to be rounded to 2 decimals). (Refer Annexure-II for detailed calculation)</p>

Particulars	Details
iii. Payout to the Bidder by SJVN	<p>a) Fixed ROE of Rs. 20.00 crore per month shall be credited into the Escrow Account (EA) on monthly basis starting from April 2024 till September 2038 for payment of dues towards Securitization Facility raised (comprising of interest calculated based on quoted Discount Rate on reducing balance basis and balance amount shall be applied towards redemption of Securitization Facility).</p> <p>b) Till the availability period i.e., 31st March 2024, SJVN will credit the actual amount of interest in the Escrow Account on or before the due date on a monthly basis.</p> <p>c) In case of any subsequent change of Discounting Rate due to change of applicable benchmark rate, any increase in monthly interest outflows on account of such reset shall be borne by SJVN by additional credit to EA while in case of decrease in monthly interest outflows due to decrease in benchmark rate, the balance lying in EA after payment of the Interest for the month based on the revised Discount Rate, shall flow back to SJVN.</p> <p>d) No other charges, fees etc. shall be payable, unless otherwise provided in this document other than the monthly Fixed Payout.</p>
iv. Credit to Escrow Account(EA)	<p>a) SJVN shall credit ROE of Rs 20.00 crore per month in a dedicated EA w.e.f., April 2024 till September 2038, on or before the due date of each month, for exclusive payment to the Bidder (Annual ROE of Rs. 240.00 crore).</p> <p>b) Till the availability period i.e., 31st March 2024, SJVN will credit the actual amount of interest in the Escrow Account on or before the due date on a monthly basis.</p> <p>c) Additional credit to EA will be made by SJVN in case of any increase in monthly interest outflows on account of change in respective benchmark rate, while in case of decrease in monthly interest outflow due to decrease in benchmark rate, balance lying in EA shall flow back to SJVN after payment of the Interest for the month based on the revised Discount Rate.</p>
v. Bidding parameter	Bidders are required to quote a Discounting Rate (applicable benchmark plus spread) for the Securitization Facility.
vi. Benchmark Rate	1 month/3 months T-Bill on FBIL website, 1/5/10 years G-Sec rates YTM % p.a. (Annualized) Par Yield on FBIL website, Repo Rate on RBI site and overnight/1 month/3 months MCLR notified by respective bank.

Particulars	Details
<p>vii. Evaluation of bids</p>	<p>a) For evaluation of bids, the spread and benchmark rate quoted by the bidders shall be added together for calculating Effective Discount Rate. The closing benchmark rate i.e., 1 month/3 months T-bill on FBIL website, 1/5/10years G-Sec rates YTM % p.a. (Annualized) Par Yield) on FBIL website, Repo Rate on RBI site, overnight/1 month/3 months MCLR notified by respective bank, 2 (two) working days before the last date of submission of the bid shall be considered. For example, if last date of bid submission is October 19, 2023, then rate available on October 16, 2023, by end of the day, shall be applicable. In case October 16, 2023, happens to be a holiday, 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 loan.</p> <p>b) Bidder with the lowest Discounting Rate (Benchmark plus spread) as per above clause will be declared as the successful bidder. In other words, bidders offering the highest discounted value of ROE of Rs. 3,480 crore shall be the successful bidder.</p> <p>c) In case of having more than one L1 bidder, equal amount of loan will be taken from all L1 bidder as per the calculated NPV from the formula given above in Table 11(ii).</p> <p>d) Bids received after the submission date & time shall be treated as non-responsive. Any conditional bid shall also be liable for rejection.</p> <p>e) SJVN 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.</p>
<p>viii. Interest Rate Reset</p>	<p>The first applicable interest rate shall be calculated 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: -</p> <p>In case of overnight MCLR/1-month MCLR/1-month T-bill rate: The first reset shall take place on the first day of the month following</p>

Particulars	Details
	<p>completion of the month in which first disbursement takes place. For example, in case the drawl date is 25.10.2023, the first applicable interest rate shall be calculated based on benchmark rate as on 24.10.2023 plus quoted spread, if any. In case 24-10-2023 happens to be a holiday, then the rate available on previous working day shall be applicable. Further, the first reset shall take place on 01-11-2023 based upon the benchmark rate 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.</p> <p>In case of 3-months MCLR/3-months T-bill rate/Repo rate/ 1/5/10 years G-Sec rates: 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 25.10.2023, the first applicable interest rate shall be calculated based on benchmark rate as on 24.10.2023 plus quoted spread, if any. In case 24-10-2023 happens to be a holiday, then the rate available on previous working day shall be applicable. Further, the first reset shall take place on 01.01.2024 based upon the benchmark rate 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.</p>

Terms for Securitization of Return on Equity with successful Bidder

Table 12: Terms for Securitization of ROE

Particulars	Proposed Terms
Issuer	SJVN (Company)
Power Station	NJHPS (6X250 MW)
Securitization Facility	<p>Securitization Facility shall be computed by discounting the monthly Fixed payout of ROE aggregating to Rs. 240.00 crore in a year at the Discounting Rate quoted by the Successful Bidder as per the following formula:</p> $P = M \times (1 - (1/(1+(r/12)))^n) / (r/12)$ <p>where:</p> <p>P = Amount of Securitization Facility</p> <p>M = Monthly ROE (i.e., Rs 20.00 crore)</p> <p>r = Discount Rate to be quoted (p.a.)</p>

Particulars	Proposed Terms
	n = Number of months (i.e., 174)
Payout to Bidder	<p>Payout to bidders will be by way of:</p> <ul style="list-style-type: none"> • Fixed payment: ROE of Rs 20.00 crore per month w.e.f., April 2024 till September 2038 i.e., for 174 months. • In case of any change in Discounting Rate due to change of respective benchmark rate, any increase in monthly outflows on account of such reset shall be borne by SJVN by additional credit to EA while in case of decrease in monthly outflows, the balance lying in EA after payment of the Interest for the month based on the revised Discount Rate, shall flow back to SJVN.
Escrow Account (EA)	<p>The monthly redemption/repayment payable on the Securitization Facility shall be serviced from the ROE to be credited to EA, on or before the due date.</p> <p>Inflows:</p> <ol style="list-style-type: none"> 1. Till the availability period i.e., 31st March 2024, actual amount of interest in the Escrow Account on or before the due date on a monthly basis. 2. ROE from NJHPS of Rs. 20 crore per month starting from April 2024 till September 2038 amounting to Rs. 3,480 crore over the next ~15 years. 3. Additional amount payable by SJVN in case of increase in monthly outflows on account of applicable Discounting Rate reset as per mentioned in Table 11(viii). <p>Outflows:</p> <ol style="list-style-type: none"> 1. Monthly Facility obligations due at the last day of each month. The Operating Procedure for Escrow Account shall be as per the Escrow Agreement shared with this RFQ. 2. Balance lying in EA shall flow back to SJVN after payment of the Interest for the month based on the revised Discount Rate.
Discounting Rate/ Rate of Interest (ROI)	<p>To be indicated by the bidders (applicable benchmark plus spread)</p> <p>The Discounting Rate to be linked with quoted benchmark rate as specified in this RFQ and reset will happen as per quoted benchmark according to Table 11(viii).</p>
Benchmark Rate	<p>1 month/3 months T-Bill on FBIL website, 1/5/10 years G-Sec rates YTM % p.a. (Annualized) Par Yield on FBIL website, Repo Rate on RBI site and overnight/1 month/3 months MCLR notified by respective bank.</p>

Particulars	Proposed Terms
Repayment / Redemption	Equal monthly installments (EMI) spanned over 174 months starting from April 2024 to September 2038.
Due Date	Shall mean the repayment due date and interest payment due date
Purpose	The proceeds of the Facility shall be utilized towards future capex, working capital, general corporate purposes, foreign acquisition etc., as per requirements of the SJVN group.
Tenor	~15 Years
Security	First charge on Escrow A/c opened by the Company for depositing the ROE received by the company. No other security shall be offered to the Bidder.
Transaction Documents	Financing Documents shall include, but not limited to the following: 1. Sanction Letter for securitization facility. 2. Facility Agreement. 3. Escrow Agreement. 4. Security Documents if any Any other agreements that are required to be executed in relation to the Facility
Events of Default	To include the following: 1. Failure of the Company to credit the monthly dues into the EA on or before the due dates. Consequences of Event of Default Upon the occurrence of Event of Default, the Bidder may exercise any one or more of the following rights: 1. Accelerate the payment of outstanding amount of Facility. 2. Draw on any margins available and balances in the Escrow Account under lien to the Bank. 3. Exercise any other right that the Bank may have under the Financing and the Security Documents or under Indian law;
Governing Law	Indian Law and subject to jurisdiction in the Indian courts. The scheme of Governing Law shall be as detailed in the Facility Agreement.
Expenses/Reimbursements	Expenses incurred for loan documentation / stamp duty charges / any out-of-pocket expenses towards site visit shall be borne by SJVN subject to prior approval from SJVN. No other charges shall be payable thereafter throughout the tenor of the Facility.

Particulars	Proposed Terms			
Disbursement and availability period	SJVN has the right to take disbursement in one or more tranches pursuant to loan documentation date till March 31, 2024.			
Prepayment	Allowed fully and/or partially with 30 days' notice.			
Prepayment Charges	NIL			
Financial Covenants	Financial covenants to be maintained as under			
	Parameters	Covenant	Testing Frequency	Testing Method
	DSCR	Min 1.10	Annual	To be tested annually as per Annual financial statements (ABS)
	Debt to Equity Ratio	Max 4.00	Annual	

Timeline

Table 13: Timeline

S.No.	Steps /Actions	Timeline (Days)
1	Issue of RFQ to bidders	T
2	Conducting Pre- Bid meeting of bidders	T+9 days
3	Response to queries of bidders & Issuance of amendments to RFQ (if required)	T+15 days
4	Bid Submission by bidders	T+38 days
5	Bid Opening by SJVN	T+38 days
6	Signing of Agreement / Document	T+67 days
7	Disbursement to SJVN by the bidder	Within 2 days from request by SJVN

Important Conditions

1. **Eligible Bidders:** List of the eligible bidders who can participate through this RFQ is as given below:
 - a. Scheduled Commercial Banks
 - b. Non-Banking Financial Company (NBFC)
 - c. Mutual Funds
 - d. Public Financial Institutions specified under Section 2(72) of the Companies Act 2013
 - e. State Industrial Development Corporations
 - f. Insurance Companies registered with the Insurance Regulatory and Development Authority
 - g. Provident Funds and Pension Funds
 - h. 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
 - i. Insurance funds set up and managed by army, navy, or air force of the Union of India

- j. Alternative Investment Funds, subject to investment conditions applicable to them under the Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012
 - k. Foreign Portfolio Investors (FPIs), Foreign Institutional Investors (FIIs) 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.
 - l. Multilateral Development Banks/Financial Institutions
- 2. Other Terms & Conditions:**
- i. SJVN reserves the right to accept / reject a bid without assigning any reasons whatsoever.
 - ii. Bids to be submitted in **physical form** only and in the form and manner prescribed under this document.
3. Financial/Price bid shall be provided in format as per **Annexure-III** and be kept in a sealed envelope marked as "Bid for Securitization of Return on Equity of Nathpa-Jhakri Hydro Power Station".
4. **Officer in Charge:** Mr. Ashok Kumar Jangid, Senior Manager (F), SJVN Limited, 6th Floor, Tower-I, NBCC Office Complex, East Kidwai Nagar, New Delhi – 110023.
5. **Confidentiality:** All information, data and documents furnished/disclosed by SJVN to the bidder and all calculations, technical information etc. supplied by the bidder to SJVN 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 SJVN 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.
6. **Power of Attorney/Authorization Letter:** The Power of Attorney (POA)/Authorization Letter in favor of signatory of tender documents and document regarding authority of executant of such POA/Authorization Letter needs to be submitted with the bids.
7. **Pre-Bid Conference:** A pre-bid conference to discuss and clarify the RFQ / Terms of the Bid will be held on the 7th day of the issue of this RFQ. The venue for the pre-bid conference will be separately notified. Interested bidders may also contact / write queries (if any) to:
- a. Mr. Ashok Kumar Jangid, Senior Manager (F), SJVN – sjvn.contractsdelhi@sjvn.nic.in (+91 9418040484)
 - b. Mr. Manish Kanth, Deputy General Manager (DGM), SJVN - sjvn.contractsdelhi@sjvn.nic.in (+91 9418084303)
 - c. Mr. Kumar Bibhu, VP - SBI Capital Markets Limited- sjvn_roe@sbicaps.com. (+91 7838059449)
8. Duly accepted copy of RFQ document (signed and stamped) indicating acceptance of the terms and conditions of RFQ along with Price Bid (Annexure – III), Format of Declaration for Submission of Bid

(Annexure – IV), Escrow Agreement (Annexure – V) and Facility Agreement (Annexure – VI) may be kept in a sealed envelope, addressed to Deputy General Manager (C&P). The sealed envelope must reach either in person or by post on or before scheduled date i.e., 19.10.2023 by 3:00 PM at the following address:

Deputy General Manager (C&P)
SJVN Limited 6th Floor, Tower-I,
NBCC Office Complex, East Kidwai Nagar,
New Delhi – 110023.

Any late receipt of bid including due to postal delay shall not be entertained at all.

Annexure-I: SJVN Projects

S.No.	Projects	Nature	Location	Capacity (MW)
A. Under Operation				
SJVN Limited				
1	NJHPS	Hydro	Himachal Pradesh	1,500.00
2	RHPS	Hydro	Himachal Pradesh	412.00
3	Sadla WPP	Wind	Gujarat	50.00
4	Khirvire WPP	Wind	Maharashtra	47.60
5	Charanka SPP	Solar	Gujarat	5.60
6	SPP at NJHPS	Solar	Himachal Pradesh	1.31
SJVN Green Energy Limited				
7	Parasan SPP	Solar	Uttar Pradesh	75.00
Sub-Total				2,091.51
B. Under Implementation				
SJVN Thermal Pvt. Limited				
8	Buxar TPP	Thermal	Bihar	1,320.00
SJVN Arun-3 Power Development Company Pvt. Limited.				
10	Arun-III HEP	Hydro	Nepal	900.00
SJVN Limited				
11	Luhri-I HEP	Hydro	Himachal Pradesh	210.00
12	Sunni Dam	Hydro	Himachal Pradesh	382.00
13	Dhulasidh HEP	Hydro	Himachal Pradesh	66.00
14	Naitwar Mori HEP	Hydro	Uttarakhand	60.00
SJVN Green Energy Limited				
15	Bagodra SPP	Solar	Gujarat	70.00
16	Bikaner SPP	Solar	Rajasthan	1,000.00
17	Raghanseda SPP	Solar	Gujarat	100.00
18	Omkareshwar FSPP	Solar	Madhya Pradesh	90.00
19	Gurhah SPP	Solar	Uttar Pradesh	75.00
20	Gujrai SPP	Solar	Uttar Pradesh	50.00
21	Pojewal and Rurki Chandpur SPP	Solar	Punjab	100.00
22	BBMB FSP	Solar	Punjab	15.00
Sub-Total				4,438.00

WPP – Wind Power Project; HEP – Hydro Electric Project; SPP – Solar Power Project; TPP – Thermal Power Project; FSPP – Floating SPP

Annexure-II: Illustrations

Indicative monthly payout in the first Year i.e., FY 2025 to the bidders for a period of One Hundred & Seventy-Four Months starting from April 2024 till September 2038.

a) Discounting Rate – 7.40%

In Rs. Crore

Month	Opening Principal	Monthly ROE Credit	Interest Amount Due	Amount Adjusted against Principal	Closing Principal	Excess/Reduced Interest in lieu of DR reset*	Total Payout (ROE + Excess Interest)
	A	B	C	D = B - C	E = A - D	F	G=F+B
Apr-24	2,130.46	20.00	13.14	6.86	2,123.59	-	20.00
May-24	2,123.59	20.00	13.10	6.90	2,116.69	-	20.00
Jun-24	2,116.69	20.00	13.05	6.95	2,109.74	-	20.00
Jul-24	2,109.74	20.00	13.01	6.99	2,102.75	-	20.00
Aug-24	2,102.75	20.00	12.97	7.03	2,095.72	-	20.00
Sep-24	2,095.72	20.00	12.92	7.08	2,088.64	-	20.00
Oct-24	2,088.64	20.00	12.88	7.12	2,081.52	-	20.00
Nov-24	2,081.52	20.00	12.84	7.16	2,074.36	-	20.00
Dec-24	2,074.36	20.00	12.96	7.21	2,067.15	0.17	20.17
Jan-25	2,067.15	20.00	12.92	7.25	2,059.90	0.17	20.17
Feb-25	2,059.90	20.00	12.87	7.30	2,052.60	0.17	20.17
Mar-25	2,052.60	20.00	12.83	7.34	2,045.26	0.17	20.17

Note:

- a) The above computations are indicative considering (a) Securitization Facility of Rs. 2,130.46 crore (b) Fixed monthly payout of Rs. 20.00 crore aggregating to Rs. 240.00 crore per year (c) Discounting rate of 7.40% p.a.
- b) *Interest reset assumed after 8 months [only for illustration purpose actual reset will be done as per Table 11 (viii)] i.e., Discounting Rate increased by 0.10% p.a. from 9th month. Payout to be computed in the similar manner for entire tenor.
- c) With subsequent reset of Discounting Rate linked to respective benchmark rate, any increase/decrease in monthly outflows on account of such reset shall be borne by SJVN/refunded to SJVN. In case of decrease in monthly outflows, the balance lying in EA shall flow back to SJVN.

b) Discounting Rate – 7.80%

In Rs. Crore

Month	Opening Principal	Monthly ROE Credit	Interest Amount Due	Amount Adjusted against Principal	Closing Principal	Excess/Reduced Interest in lieu of DR reset*	Total Payout (ROE + Excess Interest)
	A	B	C	D = B - C	E = A - D	F	G=F+B
Apr-24	2,080.33	20.00	13.52	6.48	2,073.85	-	20.00
May-24	2,073.85	20.00	13.48	6.52	2,067.33	-	20.00
Jun-24	2,067.33	20.00	13.44	6.56	2,060.77	-	20.00
Jul-24	2,060.77	20.00	13.39	6.61	2,054.16	-	20.00
Aug-24	2,054.16	20.00	13.35	6.65	2,047.51	-	20.00
Sep-24	2,047.51	20.00	13.31	6.69	2,040.82	-	20.00
Oct-24	2,040.82	20.00	13.44	6.56	2,034.26	0.17	20.17

Month	Opening Principal	Monthly ROE Credit	Interest Amount Due	Amount Adjusted against Principal	Closing Principal	Excess/Reduced Interest in lieu of DR reset*	Total Payout (ROE + Excess Interest)
Nov-24	2,034.26	20.00	13.39	6.61	2,027.65	0.17	20.17
Dec-24	2,027.65	20.00	13.35	6.65	2,021.00	0.17	20.17
Jan-25	2,021.00	20.00	13.30	6.70	2,014.30	0.17	20.17
Feb-25	2,014.30	20.00	13.26	6.74	2,007.55	0.17	20.17
Mar-25	2,007.55	20.00	13.21	6.79	2,000.76	0.17	20.17

Note:

- a) The above computations are indicative considering (a) Securitization Facility of Rs. 2,080.33 crore (b) Fixed monthly payout of Rs. 20.00 crore aggregating to Rs. 240.00 crore per year (c) Discounting rate of 7.80% p.a.
- b) *Interest reset assumed after 6 months [only for illustration purpose actual reset will be done as per Table 11 (viii)] i.e., Discounting Rate increased by 0.10% p.a. from 7th month. Payout to be computed in the similar manner for entire tenor.
- c) With subsequent reset of Discounting Rate linked to respective benchmark rate, any increase/decrease in monthly outflows on account of such reset shall be borne by SJVN/refunded to SJVN. In case of decrease in monthly outflows, the balance lying in EA shall flow back to SJVN.

Annexure-III: Price Schedule**Price Schedule****Subject:** Quotation for Securitization of Return on Equity of Nathpa Jhakri Hydro-Power Station.

Amount of ROE to be securitized (Rs. Crore)	Benchmark [§]	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 ^{**} (Rs. Crore)
3,480*					

*Rs. 20 crore per month starting from April 2024 till September 2038 (i.e., for 174 months)

Signature and Seal of the Authorized Person of Bidder**Notes:**[§]Benchmark for the quoted Discounting Rate shall be one of the following:

- 1) **Repo rate** as announced by RBI from time to time.
- 2) **T - Bill rate** (1 month/3 months) from FBIL website
- 3) **G- Sec rate** (1/5/10 years) (YTM % p.a. (Annualized)), Par Yield, on FBIL website.
- 4) **Bank's MCLR** (Overnight/1 month/3 months)

****In case of any variation in the Securitization Facility indicated by the Bidder and the Securitization Facility as computed by the given formula at Table 11(ii) of this RFQ, the amount of Securitization Facility computed as per the formula shall prevail.**

- 1) For evaluation of bids, the spread and benchmark rate quoted by the bidders shall be added together for calculating Effective Discount Rate. The closing benchmark rate i.e., 1 month /3 months T-bill on FBIL website, 1/5/10 years G-Sec rates YTM % p.a. (Annualized) Par Yield) on FBIL website, Repo Rate on RBI site, overnight/1 month /3 months MCLR notified by respective bank, 2 (two) working days before the last date of submission of the bid shall be considered. For example, if last date of bid submission is October 19, 2023, then rate available on October 16, 2023, by end of the day, shall be applicable. In case October 16, 2023, , happens to be a holiday, 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.
- 2) The Spread shall remain fixed throughout the Tenor of the Facility.

Annexure-IV: Format of Declaration to be submitted by Bidders

FORMAT OF DECLARATION FOR SUBMISSION OF BID

(To be executed on Letterhead of the Bidder)

No:

Date:

To

M/s SJVN Limited

Name of Contract: Securitization of Return on Equity of Nathpa Jhakri Hydro Power Station.

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 Rs. [XX] amount of securitization facility as per selection method described in the RFQ.

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:

(Signature of the Authorized Signatory)

Date:

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/Authorization Letter in favor of this person to do so may be enclosed with the bid.

Annexure-V: Indicative Format of Escrow Account

ESCROW ACCOUNT AGREEMENT AMONGST

SJVN LIMITED (AS COMPANY)

AND

[●]

(AS INVESTOR)

AND

[●]

(AS ESCROW BANK)

DATED THIS [●] DAY OF [●], 2023

ESCROW ACCOUNT AGREEMENT

This Escrow Account Agreement (“Agreement”) is executed at [●]¹ on this [●] day of [●] 2023, by and amongst:

SJVN Limited, a company incorporated under the Companies Act 1956, having its Corporate Identification Number L40101HP1988GOI008409 with its registered office at SJVN Corporate Office Complex, Shanan, Shimla, Himachal Pradesh, Pin Code - 171 006 and mailing address at 6th Floor, Tower 1, Office Block, NBCC Complex, East Kidwai Nagar, New Delhi-110023, India (hereinafter referred to as ‘**Company**’ which expression shall, unless repugnant to the context or meaning thereof, deemed to include its successors and permitted assigns) of the **First Part**;

AND

[●]², 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) of the **Second Part**;

AND

[●]³, 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 [●] acting through its authorized officers (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 in business of power generation in India and engaged in designing, constructing and operating hydropower plants including 1,500 MW Nathpa-Jhakri Hydro Power Station in the state of Himachal Pradesh (the Power Station).

¹PL Note: Insert the place of execution.

²PL 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, SJVN 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 [●].

³PL Note: Depending upon the constitution of the Escrow Bank, SJVN 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 [●].

- B. The Company has approached the Investor for securitization of its part return on equity 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 [●]) ⁴(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 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.
- 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 this Agreement 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:

⁴PL Note: The Facility amount is to be populated on the basis of discounting rate quoted by the successful bidder as per the formula mentioned.

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; (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; and (iv) in case of any conflict or ambiguity between definition in this Agreement and that in Facility Agreement, the definition of Facility Agreement shall prevail.

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 [..]. The Company also hereby declares that all rights, 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 [..] 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.

ARTILE 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 on or before the due date 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).
- 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 Investor other than the 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 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 on a monthly basis 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 Escrow 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 Escrow 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 Escrow Bank as contained in this Agreement, the Escrow 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 this Agreement and at such times as may be agreed between the Escrow Bank and the Company.

ARTICLE VIII

CONFIDENTIALITY

8.1. 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 thereof, by giving not less than 60 (sixty) 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 60 (sixty) 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 60 (sixty) days, the Escrow Bank shall continue in its role till the expiry of the 60 (sixty) 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. 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.

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.

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

10.4.1 sent by mail, five (5) calendar days after posting it;

10.4.2 sent by courier, when received at the Party's physical address;

10.4.3 sent by facsimile, when confirmation of its transmission has been recorded by the sender's facsimile machine; and

10.4.4 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 anyway 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 New Delhi 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.

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.

Amortization Schedule	Shall mean the schedule of repayment of the Disbursed Facility as set forth in Schedule V.
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"> • Repo rate as announced by Reserve Bank of India (RBI) from time to time. • T – Bill rate (1 month/3 months) from FBIL website • G- Sec rate (1/5/10 years) (YTM % p.a. (annualized)), par yield, on FBIL website. • Bank’s MCLR (Overnight/1 month/3 months)
Business Day	Shall mean: <p>(a) 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</p> <p>(b) 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.</p>
Disbursed Facility	Shall mean aggregate of all disbursements from time to time.
Due Date	Shall mean the repayment due date and interest payment due date
Effective Discount Rate	shall mean at any relevant time, the Benchmark Rate plus the Spread ⁵ .
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.

⁵PL Note: Spread to be fixed throughout the tenor.

Event of Default	Means any event specified as being an event of default under Events of Default Clause mentioned in Clause 10.2 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 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 st of each year till March 31 st of next year.
Fixed Payment	means the return on equity of Rs 20.00 crore per month from April 2024 till September 2038 towards the repayment of the Facility and Interest thereon as detailed in Amortization Schedule.
Governmental Approval	Means any material 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 quoted 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 amount payable monthly.
Spread	{shall mean [●]'or' Not Applicable} ⁶

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

- (a) capitalized terms which are not defined in this Agreement shall have the same meaning as assigned to them under the Facility Agreement.
- (b) the singular includes the plural and vice versa.

⁶PL Note: To be settled as per the outcome of the bidding process.

- (c) any reference to the masculine, the feminine and the neuter shall include each other;
- (d) any reference to a “company” shall include a body corporate;
- (e) 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
- (f) 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.

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 in the Escrow Account in the following manner:

- (a) 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 interest and repayment.
- (b) Balances, if any, remaining in the Escrow Account after transfer have been made in accordance with sub-clause (a) above to be auto transferred within 7 days from the Due Date to the following designated account of the company:
 - i. Bank Account Name:
 - ii. Bank Account Number:
 - iii. Bank
 - iv. Branch
 - v. IFSC Code

SCHEDULE III
ADDRESS FOR NOTICES

S. No.	Name of the Parties	
1.	SJVN 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:

SCHEDULE IV

COMPANY REPRESENTATIONS AND WARRANTIES

10.1. Existence and Ability

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

10.1.2. 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.

10.2. 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.

10.3. Valid and Binding Obligation

Facility Documents constitute 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.

10.4. 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.

10.5. 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.

10.6. 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.

10.7. Borrowings

10.7.1. 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.

10.7.2. To the best of its knowledge, no event of default or breach

(a) which has or would entitle a Investor 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 Investor or counter party of such borrowing or has occurred or is expected to occur in relation to such borrowing.

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

10.8. Compliance with Applicable Law

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.

10.9. 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
AMMORTIZATION SCHEDULE

[Signature page follows]

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:

SIGNED AND DELIVERED BY within named the Company, **SJVN 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: [●]

Annexure-VI: Indicative Format of Facility Agreement

FACILITY AGREEMENT

BETWEEN

**SJVN LIMITED
As Company**

AND

**[●]
As Investor**

FACILITY AGREEMENT

THIS FACILITY AGREEMENT ('Agreement') is made at [●]¹ on this [●] day of [●] 2023 (**Execution Date**) by and between:

SJVN Limited, a company incorporated under the Companies Act 1956, with Corporate Identity Number L40101HP1988GOI008409 and having its registered office at SJVN Corporate Office Complex, Shanan, Shimla, Himachal Pradesh, Pin Code - 171 006 and mailing address at 6th Floor, Tower 1, Office Block, NBCC Complex, East Kidwai Nagar, New Delhi-110023, (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**.²

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

WHEREAS

A. The Company is in business of power generation in India and engaged in designing, constructing and operating hydropower plants including 1,500 MW Nathpa-Jhakri Hydro Power Station in the state of Himachal Pradesh (the **Power Station**).

B. The Company has approached the Investor for securitization of its part return on equity 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 [●] (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.

¹PL Note: Insert the place of execution.

²PL 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, SJVN 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 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 [●]

³PL Note: The Facility amount is to be populated on the basis of discounting rate quoted by the successful 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 proceeds of the Facility shall be utilized towards future capex, working capital, general corporate purposes, foreign acquisition etc., as per requirements of the SJVN group.

2.2.2. The Company agrees to furnish a certificate from an independent chartered accountant regarding the utilization of funds disbursed and such certificate shall be furnished to the Investor within one hundred eighty (180) 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 beyond March 31, 2024.

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.

4. DRAWDOWN

4.1. The Facility shall be drawn by the Company in 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. The outstanding principal of the Facility shall be repaid in structured instalments, in accordance with the Amortization Schedule set forth in Schedule VII hereto by the Company on monthly basis on Due Date. It is clarified that the first Fixed Payment shall be payable on the First Fixed Payment Date. Subsequent payments of the Fixed Payment shall be made on Subsequent Fixed

Payment Date(s).

5.2. Interest

5.2.1. The Interest shall be Quoted Discount Rate or Effective Discount Rate, whichever is lower, to be paid, on monthly basis on every Due Date(s), out of the Fixed Payment payable by the Company on monthly basis starting from April 2024 till September 2038.

5.2.2. Interest till 31st April 2024 shall be payable at the Effective Discount Rate, by depositing the required amount in the Escrow Account, on or before the Due Date.

5.2.3. The investor shall reset the Benchmark Rate and consequently Effective Discount Rate as following:

- I. **In case of overnight MCLR/1-month MCLR/1-month T-Bill rate:** The first reset shall take place on the first day of the month following completion of the month in which first disbursement takes place. Thereafter reset will take place after every one month in the same manner.
- II. **In case of 3-months MCLR/3-months T-Bill rate/Repo rate/1/5/10 year G-Sec rate:** : The first reset shall take place on the first day of the month following completion of the quarter in which first disbursement takes place. Thereafter reset will take place after every three months in the same manner.

5.3. Liquidated Damages on Defaulted Amounts

5.3.1. To be mutually decided.

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. PREPAYMENT

Prepayment to be allowed fully and/or partially with 30 days' notice and the Company reserves the right to have an option to prepay the facility without any charges.

9. ASSIGNMENT

The Investor reserves the right to assign its rights and obligations herein in favor of a new Investor. 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. TERM AND TERMINATION

10.1. 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 10.3 below or upon repayment of the Facility in accordance with the provisions contained in clause 5 hereof.

10.2. 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**).

10.2.1. If the Company fails to credit Fixed Payment into the Escrow Account on Due Dates.

10.2.2. 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.

10.2.3. 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.

10.3. Termination

In case of occurrence and continuance of any of the events described above or in Clause 10.2 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.

11. CUMULATIVE RIGHTS

11.1. 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.

11.2. 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.

12. 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 of an Event of Default and/or any other Indemnified Party acting on their behalf.

13. TAXES - REPORTING REQUIREMENTS

13.1. Tax gross up and Indemnities

13.1.1. 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 (a Tax Deduction) unless the Company is required to make a Tax Deduction by 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 or withholding equal to the sum which it would have received had no such Tax Deduction been made or required to be made;
- (ii) If the Company is required to make a Tax Deduction, the Company shall make that Tax Deduction and make any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by 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 of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

13.1.2. Tax indemnity

If the Investor is required to make any payment on account of Tax other than income tax 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 or assessed against the Investor, Company shall, within three (3) calendar days of demand of 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 shall not apply to any Tax imposed on and calculated by reference to the net income actually received or receivable by the Investor.

14. GOVERNING LAW AND DISPUTE RESOLUTION

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

14.1.1. The courts, tribunals at New Delhi shall have an exclusive jurisdiction in respect of all the matters arising out of / in relation to this Agreement.

15. MISCELLANEOUS**15.1. 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.

15.2. 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 by email or couriered to the other Party at the address indicated below:

In the case of notices to the Company, to:

Address:	SJVN Limited
	[●]
Attention:	[●]
Phone No.:	[●]
Facsimile:	[●]
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.

Any notice, request, demand, or other communication delivered to the Party to whom it is addressed as provided in this clause 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.

15.3. 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.

15.4. 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 anyway be affected or impaired.

15.5. 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.

15.6. 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:

SIGNED AND DELIVERED BY within named the Company, SJVN 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 (Rs. crore) (2)
[●]	[●]
Total	[●]

SCHEDULE II

Investor's Sanction Letter

(to be annexed)

SCHEDULE III

DEFINITIONS AND INTERPRETATION

Abandonment	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 Abandon shall be construed accordingly.
Act	Shall mean the Companies Act, 2013, along with all applicable rules and regulations framed in connection therewith, as amended from time to time.
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.
Benchmark Rate	Shall mean the: Repo rate as announced by Reserve Bank of India (RBI) from time to time; or T - Bill rate (1 month/3 months) from FBIL website; or G- Sec rate (1/5/10 years) (YTM % p.a. (annualized)), par yield, on FBIL website. Bank's MCLR (Overnight/1 month/3 months)
Bid Documents	Means the Bid Documents issued by Company in relation to the Facility.
Business Day	Shall mean: (a) 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 law to be open for business in the place of its lending office/branch; or (b) 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.
Company Representations and Warranties	Means and refers to the representations and warranties asset out in Schedule VIII;
Condition(s) Precedent	Means the conditions precedent specified in clause 3.1 of facility agreement above which are required to be satisfied by the Company;
Disbursement	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;
Disbursed Facility	Shall mean aggregate of all Disbursements from time to time.

Drawdown Date	Means the Business Day on which the Disbursement of Facility shall take place following receipt by the Investor of a Drawdown Notice.
Due Date	Shall mean the repayment due date and interest payment due date.
Effective Discount Rate	Shall mean at any relevant time, the Benchmark Rate plus the Spread ⁴ .
Escrow Account	Shall have the meaning specified in the Escrow Account Agreement.
Escrow Account Agreement	Shall mean the escrow account agreement entered into or to be entered into between the Company, the Investor and the Escrow Bank.
Escrow Bank	Shall have the meaning specified to it in the Escrow Account Agreement.
Event of Default	Means any event specified as being an event of default under clause 10.2 of Facility Agreement above.
Financial Year	Shall mean the accounting period commencing from April 1 st of each year till March 31 st of next year.
First Fixed Component Payment Date	Shall mean before the last Business Day of April 2024.
Facility Documents	means collectively the Agreement, Sanction Letter, Escrow 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;
Fixed Payment	means the return on equity of Rs 20.00 crore per month starting from April 2024 till September 2038 towards the repayment of the Facility and Interest thereon as detailed in Schedule VII.
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 Quoted Discount Rate or Effective Discount Rate, whichever is lower.

⁴ PL Note: Spread to be fixed throughout the tenor.

Material Adverse Effect	shall mean an event or circumstance which has a material adverse effect on or a material adverse change in: The financial condition, assets, operations, or business of the Company; or The ability of the Company to perform its obligations under the Facility Documents; or The validity, legality, or enforceability of Facility Documents.
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 Fixed Payment
Sanction Letter	shall mean the sanction letter issued by the Investor dated [●] bearing reference number [●], as amended from time to time.
Spread	{shall mean [●] 'or' Not Applicable} ⁵ .
Subsequent Fixed Payment Date(s)	shall mean the date occurring after the expiry of every one-month period from First Fixed Payment Date till September 2038.
Tax	means any interest tax, other levies, duties if any, applicable as per the Agreement.

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.

⁵ PL Note: To be settled as per the outcome of the bidding process.

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 person or persons to sign, execute and deliver each such document and any other documents to be delivered pursuant thereto and it's 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

To,

[Insert Date]

[Insert the name of the Investor]

[●]

Dear Sirs,

Subject: Facility Agreement dated [●]

1. Please refer to the facility agreement executed between Investor and the SJVN 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 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:
 - i) its organizational documents;
 - ii) any provision contained in any document to which the Company is a party (including the Agreement) or by which the Company is bound; or
 - iii) 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 [●], 2023

For SJVN 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 truly, accurately and correctly reflect the financial condition, 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:

(i) Change in Business and Operations

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

(ii) Abandonment

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

(iii) Insolvency

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

SCHEDULE VII
AMMORTIZATION SCHEDULE

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

- 5.1. 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 Investor 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 Investor 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 Investors.

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.