

## HPCL- RFQ for Asset Monetisation through Securitisation of Future Cashflows from Retail Outlets

### Bidders Queries and Responses

January 15, 2024

- Query 1:** Will the said facility form part of HPCL's books of accounts?
- Response 1:** Yes, this facility shall appear as Long-Term Debt in HPCL's books of accounts.
- Query 2:** Whether the said facility is rated by any rating agency?
- Response 2:** HPCL can arrange for rating of the facility from domestic credit rating agencies, subsequent to disbursement of the facility.
- Query 3:** To what extent will the debt obligation be covered by HPCL in case of shortfall in SSLF collection or otherwise?
- Response 3:** HPCL shall utilise funds from other sources of cashflows for meeting its entire debt servicing obligation in case of shortfall in SSLF collection.
- Query 4:** When will the covenants will be tested & & how will penalty be calculated?
- Response 4:** Covenants shall be tested annually basis the audited financial statements of the Company. First testing to be done basis the audited financial statements for the financial year ending on March 31, 2024 or the relevant financial year of the date of Drawdown, whichever is later. Penalties will not be imposed for variations up to 10%. Any deviation beyond 10% will incur penal interest at a rate of 50 basis points per annum. In case the breach is cured within 30 days, no penal charges will be implemented. (For details, please refer clause 18 of **Para 2.5. Proposed Terms and conditions for Securitisation Facility** - Financial Covenants in the RFQ document)
- Query 5:** Can the financial covenants be revised at the time of finalization of facility agreement and escrow agreement?
- Response 5:** Financial covenants shall remain as mentioned in clause 18 of **Para 2.5. Proposed Terms and conditions for Securitisation Facility** in the RFQ document.
- Query 6:** Whether the draft documents are open for discussion and would be finalised as per mutually agreed terms and conditions with the successful bidder?
- Response 6:** The facility transaction documents shall be substantially in the formats enclosed alongwith the RFQ documents. However, minor variations may be made based on mutual discussion & understanding between the successful bidder and HPCL.
- Query 7:** Whether the cashflow against SSLF will be routed through this Escrow account?
- Response 7:** No, cashflow will be directly collected in HPCL collection account and monthly payout as defined in the RFQ will be transferred to Escrow account on or before the due date of payout every month.
- Query 8:** What would be the structure of facility?

**Response 8:** Please be guided by the RFQ & other documents circulated alongwith the RFQ.

**Query 9:** Whether the Mutual Funds/ provident funds etc. will join the consortium of Banks?

**Response 9:** Any eligible bidder (in terms of the RFQ document) can participate in consortium alongwith other eligible bidders.

**Query 10:** Whether discount rate can be quote on slab-wise?

**Response 10:** A Bidder shall quote for the entire Securitisation Facility Amount. Only one discount rate shall be quoted by the bidder for the full tenor/amount.

**Query 11:** Whether monthly payout will be changed whenever benchmark is changed.

**Response 11:** Please refer clause 5 of **Para 2.5 Proposed Terms and conditions for Securitisation Facility** in the RFQ document, for details.

**Query 12:** What is the debt profile of HPCL?

**Response 12:** Debt profile as of 30.09.2023 is as follows:

<b>Particular</b>	<b>(Rs./Crore)</b>
<b><u>Long Term Loan</u></b>	
External Commercial Borrowing	19,464
Non-Convertible Debenture	18,750
Loan from Oil Industry Development Board	75
INR Loan from Banks	7,975
Sub Total (A)	<b>46,264</b>
<b><u>Short Term Loan</u></b>	
INR Loans from Bank	3,456
Foreign currency Loans from Banks	2,039
Sub Total (B)	<b>5,494</b>
<b>TOTAL (A+B)</b>	<b>51,758</b>

**Query 13:** Any excel is available for calculating of facility amount?

**Response 13:** Working in MS Excel is enclosed herewith.