WORKING CAPITAL FACILITY AGREEMENT

This Working Capital Facility Agreement made on the day, month and year set out in Schedule Ibetween the Borrower named in Schedule I, which expression shall, unless it be repugnant to the subject or context, include its successors and permitted assigns of the ONE PART

AND

ICICI BANK LIMITED, a company within the meaning of the Companies Act, 2013 and a banking company within the meaning of Section 5(c) of the Banking Regulation Act, 1949 and having its registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara 390 007, Gujarat and corporate office at ICICI Bank Towers, Bandra Kurla Complex, Mumbai 400 051, Maharashtra and amongst others, a branch / office at the place specified in Schedule I (the “Bank", which expression shall, unless it be repugnant to the subject or context, include its successors and assigns) of the OTHER PART.

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

In this Facility Agreement (*as defined hereinafter*), unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings:

“Business Day” means a day on which the relevant office of the Bank specified in Schedule I, or such other office as may be notified by the Bank to the Borrower, is open for normal business transactions.

“Loan Facility” shall mean the term loan being raised by the Borrower and its subsidiaries/step-down subsidiaries for achieving financial closure of the Projects.

“Credit Arrangement Letter” or “CAL” means a letter as of the date specified in Schedule I issued by the Bank to the Borrower granting/extending the Facilities to the Borrower. The expression “CAL” shall include all amendments to the CAL and renewal CALs.

“Credit Rating Agency” shall mean and refer to the domestic credit rating agencies such as Credit Analysis and Research Limited, CRISIL Limited, FITCH India/India Rating and ICRA Limited and and such other credit rating agencies identified and/or recognized by RBI from time to time.

“Drawing Power” in connection with the relevant Facilities, means the extent to which the Borrower may make drawals from time to time under each of such Facilities upto the amount of the respective Limits but not exceeding the value of the current assets, if any, provided as security to the Bank for such of the Facilities as drawn by the Borrower less the corresponding margin.

“Due Date(s)” means the date(s) on which any amounts in respect of the Facilities including principal, interest or other monies, fall due in terms of the Transaction Documents

“Facility Agreement” means this Working Capital Facility Agreement together with all its schedules, annexures and CAL and shall include any amendments thereto.

“Financial Creditor” shall have the meaning assigned to it under IBC.

“Financial Information” shall have the meaning assigned to it under IBC.

“FEDAI” means Foreign Exchange Dealers Association of India.

“Goods” means the goods described in the relevant Transaction Documents.

“Projects” shall mean renewable energy projects satisfying the following conditions:

1. Projects where Power Purchase Agreement (PPA) has been entered with Solar Energy Corporation of India (SECI), NTPC Limited (NTPC), NHPC Limited (NHPC), Gujarat Urja Vikas Nigam Limited (GUVNL) or any other counterparty as approved by the Bank
2. Power Sale Agreement (PSA), if applicable, for the projects should have been executed
3. 100% land parcels for the projects have been identified
4. LC shall be opened only in favour of Tier-1 suppliers of solar & wind modules/equipments.
5. Any other conditions as stipulated by the Bank

"Increased Costs" means:

(i) a reduction in the rate of return from the Facilities or on the Bank’s overall capital (including as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by the Bank);

(ii) any additional or increased cost including provisioning as may be required under or as may be set out in RBI regulations or any other such regulations from time to time; or

(iii) a reduction of any amount due and payable under the Transaction Documents;

which is suffered by the Bank to the extent that it is attributable to the undertaking, funding or performance by the Borrower of any of its obligations under the Transaction Documents.

“Indebtedness” means any indebtedness (whether actual or contingent) of the Borrower at any time for or in respect of monies borrowed, contracted or raised (whether or not for cash consideration) or liabilities (whether actual or contingent) contracted by whatever means (including under guarantees, assumption of financial obligations, indemnities, derivative transactions, acceptances, credits, deposits, debentures, hire-purchase and leasing).

“IBC” means the Insolvency and Bankruptcy Code, 2016, including all amendments and replacements made thereto and all rules and regulations framed thereunder.

“Key Managerial Personnel” shall have the meaning assigned to it under the Companies Act, 2013.

“Material Adverse Effect” means the effect or consequence of any event or circumstance which is or is likely to be:

(i) adverse to the ability of the Borrower to perform or comply with any of their respective obligations under the Transaction Documents in accordance with their respective terms; or

(ii) prejudicial to any of the businesses, operations or financial condition of the Borrower or its project(s).

“Obligor” means the Borrower, in respect of the Facility.

“Procurement Contracts” shall mean the contracts (including all amendment or supplemental to it from time to time) entered into by the Borrower for sale of equipment pertaining to the Projects to its subsidiaries/step-down subsidiaries

“Purpose” means the purpose(s) for which the Facilities have been availed of by the Borrower from the Bank and as more particularly specified in the CAL.

“RBI” means the Reserve Bank of India.

“SWIFT” means Society for World Wide International Financial Telecommunications, which expression shall include its successors and assigns.

“Transaction Documents” include this Facility Agreement, the CAL, all other agreements, instruments, undertakings, indentures, deeds, writings and other documents whether financing, security, in the course of trade or otherwise executed or entered into, or to be executed or entered into, by the Borrower, in relation, or pertaining, to the transactions contemplated by, or under the Facility Agreement or Transaction Documents, and each such Transaction Documents as amended from time to time.

1.2 INTERPRETATION

(i) In the Facility Agreement, unless the contrary intention appears:

1. a reference to:

an agreement / document / undertaking / deed / instrument / indenture / writing includes all amendments made thereto from time to time as also all schedules, annexures and appendices thereto;

“amendment” includes a supplement, modification, novation, replacement or re-enactment and "amended" is to be construed accordingly;

“assets” include all properties whatsoever, both present and future, (whether tangible, intangible or otherwise), including but not limited to, Intellectual Property Rights, investments (held directly or indirectly), cash-flows, revenues, receivables rights, benefits, interests and title of every description;

“authorisation” includes an authorisation, consent, clearance, approval, permission, resolution, license, exemption, filing and registration;

“borrower” includes, as the context may permit or require, in the case of more than one borrower, each of the borrowers;

“control” shall have the meaning assigned to it in the Companies Act, 2013, unless otherwise specifically provided;

“encumbrance” includes a mortgage, charge, lien, pledge, hypothecation, security interest or any right of any description whatsoever;

“law” shall mean, applicable, constitution, statute, law, rule, regulation, ordinance, judgment, order, decree, authorisation, or any published directive, guideline, notice, requirement or governmental restriction, having the force of law in any jurisdiction; and

“person” includes an individual, corporation, partnership, joint venture, association of persons, trust, unincorporated organisation, government (central, state or otherwise), sovereign state or any agency, department, authority or political subdivision thereof, international organisation, agency or authority (in each case, whether or not having separate legal personality) and shall include their respective successors and assigns and in case of an individual shall include his legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being.

1. the singular includes the plural (and vice versa);
2. the headings in the Facility Agreement are inserted for convenience of reference only and are to be ignored in construing and interpreting the Facility Agreement;
3. reference to a gender shall include references to the female, male and neuter genders;
4. reference to a law or a provision of law is a reference to that law or that provision of law as amended or re-enacted from time to time;
5. all approvals, permissions, consents or acceptance required from the Bank for any matter shall require the ‘prior’, ‘written’ approval, permission, consent or acceptance of the Bank;
6. reference to the words ‘include’ or ‘including’ shall be construed without limitation;
7. words and abbreviations which have well known technical, trade or commercial meaning, are used in this Facility Agreement in accordance with such meaning;
8. in the event of any disagreement or dispute between the Bank and the Borrower regarding the materiality, likelihood, or reasonableness of any matter arising out of the Transaction Documents, the opinion of the Bank shall be final and binding;

## (ii) To the extent of any inconsistency or repugnancy between the terms of the CAL and the Facility Agreement, the terms of the CAL shall prevail for all intents and purposes. For avoidance of doubt, if a wider language is used in the Facility Agreement, in respect to a stipulation which is also reflected in the CAL, a harmonious interpretation shall be adopted so that the Bank derives the benefit of the language used in the Facility Agreement.

ARTICLE II

TERMS OF THE FACILITIES

2.1 The Borrower agrees to avail from the Bank and the Bank, at the request of the Borrower, agrees to grant / extend to the Borrower various working capital facilities up to overall limits (the “Overall Limits”) in the aggregate not exceeding amounts specified in the CAL hereof, subject to the terms and conditions contained in the Transaction Documents. The aforesaid working capital facilities up to the amounts specified in the CAL are hereinafter referred to as the “Facility” or ”Facilities”, which expression shall, as the context may permit or require, mean any or each of such Facilities, or so much thereof as may be outstanding from time to time. The Bank shall have the right to review the Facilities at periodical intervals whereupon the Facilities may be continued/cancelled/ reduced based on conduct and utilization.

2.2 The amounts up to which the Borrower can draw under each of such Facilities shall not, at any one time, exceed sums / limits (the “Limits”) specified against each of such respective Facilities in the CAL. Provided, however, the aggregate amounts of all the Limits shall not at any point of time exceed the amount of the Overall Limits, utilization of which shall be within the maximum permissible bank finance limits as stipulated by the Bank from time to time. All outstanding amounts of interest, commission, discount, charges and other monies in respect of the respective Facilities, whether debited to the Account or not, shall also be included in determining the availability of the Overall Limits / respective Limits.

2.3 The Borrower agrees to comply with the terms set out in this Facility Agreement, the CAL, the schedules and annexures hereof, and other Transaction Documents. This Facility Agreement shall become binding on the Borrower and the Bank on and from the date mentioned in the Schedule I. It shall be in force till all the monies due and payable under the Transaction Documents are fully paid off by the Borrower to the Bank. Unless otherwise specified in the CAL, the Borrower shall repay the Facilities on demand to the Bank.

2.4 The Borrower shall, as required, by the Bank open cash credit account(s) or other account(s) (the “Account”, which expression shall mean any or each of such account(s), as the context may permit or require) at the branch(es) of the Bank as is specified in theCAL or the Facility Agreement or such other branch as may be intimated to the Borrower by the Bank from time to time, for availing the Facilities upto the respective Limits.

* 1. The Facility Agreement shall be operative for the balance due by the Borrower, from time to time, to the Bank in the Account relating to the relevant Facilities and such Account shall not be considered as closed by reason of such Account being brought to credit at any time or from time to time or of its being drawn upon to the full extent and afterwards brought to credit and the Facility Agreement will continue to be operative and unaffected until such relevant Facilities are terminated and all monies in respect thereof are repaid in full to the satisfaction of the Bank.

2.6 Unless otherwise provided in the CAL, the Borrower shall not, without the approval of the Bank (which approval may be given subject to terms and conditions stipulated by the Bank, including payment of prepayment premium), prepay the outstanding principal amounts of the Facilities which are in the nature of loans, in full or in part, before the Due Dates.

2.7 The Borrower unconditionally agrees and undertakes to get itself and its Facility rated by a Credit Rating Agency/ies within a period of 3 (three) months from the date of first issuance of the LC and/or at such intervals as may be decided by the Bank. In case the Borrower fails to do so or the rating received is below BBB+, the Bank shall have the right to increase the applicable commission and/or costs, charges and expenses, and stipulate cash margin of 10%, which shall be payable by the Borrower to the Bank, on such date(s) or within such period as may be specified by the Bank, for extending the Facilities. The cash margin will increase by 10% for every subsequent downgrade in Credit Rating.

ARTICLE III

TERMS OF DISBURSEMENT / DRAWAL

3.1 Subject to the compliance of the terms and conditions of the Transaction Documents, the Facilities may be drawn down by the Borrower, out of the Account, from time to time or disbursed in installments. The Bank may, at the request of the Borrower, make disbursements or allow drawals under the Facilities by cheques / pay orders / electronic modes / authorisations and / or by issuance of BGs and / or LCs and / or co-acceptance / acceptance of Bills by the Bank.

3.2 The Borrower shall at all times confine the drawals out of the relevant Facilities within the respective Drawing Power unless specifically permitted by the Bank at its sole discretion. In the event of any excess drawings, all the terms and conditions of the Transaction Documents, including the benefit of the securities created shall stand extended to cover such excess drawings. The Borrower agrees that grant of such excess drawings to the Borrower shall be liable to be suspended / discontinued / revoked by the Bank without any notice to the Borrower. The Borrower shall repay all such excess drawings on demand unless otherwise specified by the Bank.

3.3 In the event any monies are remaining due and payable by the Borrower to the Bank, under the Transaction Documents, the Bank shall be entitled to reduce the availability of the amounts of the Overall Limits and / or adjust such monies against the respective available Limits and all such adjustments shall be treated as drawals by the Borrower.

ARTICLE IV

INTEREST, COMMISSION, CHARGES AND PAYMENTS

4.1 The Borrower shall pay to the Bank interest, commission, discount, fees and all other charges on the amounts outstanding from time to time under the Facilities, at the rate(s), on the date(s) and in the manner specified in the CAL or as modified by the Bank from time to time. The Borrower shall reimburse all sums paid and / or expenses (including that for preservation, protection or enforcement of the Borrower’s assets) incurred by or on behalf of the Bank with interest at the rate applicable to the Facilities from the date of payment by the Bank till such reimbursement, within 15 (fifteen) days from the date of demand, and the Bank shall be entitled to debit the same to the relevant Account of the Borrower. The interest payable by the Borrower shall be subject to the changes based on guidelines / directive issued by RBI to banks from time to time and the consequent changes made by the Bank.

4.2 In the event any amounts due under any of the Facilities remain unpaid on the Due Date(s) or in respect of excess drawings as specified in Article III above, the Borrower shall pay additional interest at the rate specified in the CAL (“Additional Interest”), on the overdue amount, from the Due Date upto the date of actual payment. The Borrower acknowledges and agrees that the Additional Interest is reasonable and that it represents genuine pre-estimates of the loss expected to be incurred by the Bank and is arrived at after factoring the risks that the Bank will be susceptible to in the event of non-payment of any monies by the Borrower. Further, the Borrower agrees, that for Facilities availed in foreign currencies, the amount will be converted to Indian Rupees, before levying Additional Interest as per this clause.

4.3 The Borrower agrees, declares and confirms that where interest is charged by the Bank at a concessional rate(s) on any of the Facilities granted by the Bank to the Borrower under any ‘interest subsidy scheme’ or any other similar scheme(s) formulated by the government and / or RBI and /or any other authority from time to time and in the event of the withdrawal, modification and /or variation of such scheme(s), the concessional rate(s) of interest shall stand withdrawn and the rate(s) of interest of the Bank applicable at such point of time to such Facilities shall become effective from the date (hereinafter referred to as the “Said Date”) of such withdrawal, modification and / or variation of such scheme(s) and the Bank shall become entitled to charge and the Borrower shall be liable to pay interest at such usual rate(s) from the Said Date. In case the relevant Facilities are eligible for cover under any ‘guarantee scheme’, the Borrower shall bear the guarantee fee paid / to be paid in connection with such Facilities; such guarantee fee may be debited to the relevant Account and shall be treated as part of the Facilities and shall carry interest at the rate specified in the CAL.

4.4 Interest on the outstanding amounts under the Facilities / discount or other charges shall be calculated on the daily debit balance of such Account and interest shall be charged on monthly rest or as notified by RBI from time to time or decided by the Bank from time to time in line with extant RBI guidelines as may be specified in the CAL. The interest shall be computed on the basis of 365 (three hundred and sixty five) days a year for Facilities denominated in Indian Rupee and 360 (three hundred and sixty) days a year for Facilities denominated in currencies other than Indian Rupee, and the actual number of days elapsed. Such interest shall be paid by the Borrower when debited to the Account. If the Due Date in respect of any amount payable under the Facilities falls on a day which is not a Business Day, the immediately preceding Business Day shall be the Due Date for such payment.

4.5 The Borrower shall bear all taxes, other imposts, costs, charges (including legal fees, cost of investigation of title to the Borrower’s/security provider’s assets and protection of the Bank's interest), fees, levies and duties including stamp duty and relevant registration and filing charges in connection with the Transaction Documents (including any differential or additional duties and taxes which may be required pursuant to the provisions of the applicable laws from time to time), as may be levied from time to time by the government or other authority including those incurred by the Bank in connection with the Facilities. In the event of the Borrower failing to pay the monies referred to above, the Bank shall be at liberty, but shall not be obliged to pay the same. The Borrower shall reimburse promptly and without any demur all sums paid by the Bank in accordance with the provisions contained herein.

4.6 All payments by the Borrower under the Facility Agreement shall be made free and clear of and without any deduction / withholding, except to the extent that the Borrower is required by law to make payment subject to any deduction / withholding of taxes. Provided that, all taxes required by law to be deducted / withheld by the Borrower from any amounts paid or payable including but not limited to interest, commission, fees, discount, service and other charges under the Facility Agreement, shall be paid by the Borrower when due and the Borrower shall, within the statutory time frame prescribed under the law or 30 (thirty) days of the payment being made, whichever is earlier, deliver to the Bank satisfactory evidence that the tax has been duly remitted to the appropriate authority and tax deduction certificates delivered to the Bank.

4.7 The Borrower shall, within 3 (three) Business Days of a demand by the Bank (in a form and manner as it may deem fit), pay the amount of any Increased Costs incurred by the Bank as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; (ii) compliance with any law or regulation made before or after the date of the Facility Agreement (including any law or regulation concerning capital adequacy, prudential norms, liquidity, reserve assets or tax) or (iii) in the event of the Bank being called upon to pay any additional amount by a foreign lending agency in terms of their respective financing agreements or on account of factors beyond the control of the Bank.

4.8 The Borrower agrees, declares and confirms that, notwithstanding any terms and conditions to the contrary contained in the Transaction Documents, the Bank may, at its absolute discretion, appropriate any payment made by the Borrower under the Transaction Documents/ any amount realised by the Bank by enforcement of security or otherwise, towards the dues payable by the Borrower to the Bank under the Transaction Documents and / or other agreements entered into between the Borrower and the Bank and in any manner whatsoever.

ARTICLE V

SECURITY

5.1 SECURITY

The Facility together with all interest, liquidated damages, fees, premia on prepayment, costs, charges, expenses and other monies whatsoever stipulated in or payable under the Transaction Documents shall be secured by such security, if any, as stipulated in the CAL (“Security”), which shall be created and perfected in a form and manner satisfactory to the Bank, within the timeline as stipulated in the CAL.

5.2 CREATION OF SECURITY

(i) The Borrower agrees and undertakes that the Borrower (collectively referred to as the “Security Provider”) providing Security:

1. shall make out a good and marketable title to its/their properties being procured under the Facility, present and future, to the satisfaction of the Bank and comply with all such formalities as may be necessary or required for the said purpose;
2. shall, upon request of the Bank, provide such additional security and/or cash margin to the satisfaction of the Bank, if, at any time during the subsistence of the Facility Agreement, the Bank is of the opinion, based on the value of goods/equipment procured under the Facility, that the Security provided, or the relevant cash margin is or will become inadequate.
3. For the purpose of this clause, goods/equipment procured under the Facility shall be valued as per the prevailing accounting principles and as reflected in the books of accounts of the Borrower.

(ii) All Security, other than those in respect of which the Bank has provided a timeline for creation and/or perfection, shall be created and perfected and all formalities thereof completed in a form and manner satisfactory to the Bank as a condition precedent to any disbursement/drawal under the Facilities.

(iii) The Bank may at its sole discretion make disbursements out of the Facilities pending creation and/or perfection of full and final Security. In such event, the disbursements made by the Bank pending creation and/ or perfection of such Security shall carry Additional Interest as indicated in the CAL calculated from the date of disbursement of the Facilities or expiry of the timeline, if any, for creation and/ or perfection of such security specified in the CAL, till creation and/ or perfection of such security to the satisfaction of the Bank.

(v)  Security, if any, on the particular goods/equipment/asset, created in terms of the Facility Agreement shall continue to secure the Facilities until the amount equivalent to that particular goods/equipment/asset value procured under the Facility are received by the Bank.

5.3 INSURANCE

(i) The Borrower shall ensure that the Security Provider shall, at all times, keep insured upto the reinstatement value thereof, as approved by the Bank (including surveyor's and architect's fees), the assets charged / to be charged to the Bank and such of its other assets as are of an insurable nature against all risks including under Public Liability Insurance Act 1991, if applicable.

(ii) The Borrower shall ensure that the Security Provider shall duly pay all premia and other sums payable for the aforesaid purpose. The insurance in respect of the assets charged/to be charged shall be taken in the names of the Security Provider and the Bank or the Bank’s name should be noted as first loss payee on such insurance policies. The Borrower shall deliver to the Bank copy of all policies of insurance and renewals thereof and endorsements thereto within 10 (ten) days from the date of issuance.

(iii) The Borrower agrees that, in the event of failure on the part of the Borrower / the Security Provider to insure the assets or to pay the insurance premia, the Bank may at its sole discretion, without any obligation, get the assets insured or pay the insurance premia and get such amounts reimbursed by the Borrower together with interest as applicable to the Facilities and the Bank shall be entitled to debit the Borrower’s Account with such amounts.

(iv) Until all the dues in respect of the Facilities are paid in full, the Borrower shall forthwith pay / cause to be paid to the Bank all monies received by the Borrower or the Security Provider under any policy(ies) of insurance and until payment to the Bank of monies received by the Borrower or the Security Provider under any policy(ies) of insurance, the Borrower shall hold / cause to be held the same in trust for the Bank.

5.4 GUARANTEE / CONTRACTUAL COMFORT

The Borrower shall procure and deliver to the Bank, an undertaking by the Borrower as stipulated in the CAL, in a form and manner acceptable to the Bank, within the timeline as specified in the CAL. The Borrower shall observe all the covenants, terms, conditions, restrictions and prohibitions under the undertaking and agrees that any violation of the same shall constitute an Event of Default.

ARTICLE VI

REPRESENTATIONS, WARRANTIES, COVENANTS & UNDERTAKINGS

The Borrower hereby, makes the representations, declarations and warranties as given below and confirms that the same will continue to remain true, correct, valid and subsisting in every respect till the Facilities are repaid in full or if a specific duration is mentioned below then till that duration, to the satisfaction of the Bank:

* 1. REPRESENTATIONS AND WARRANTIES

1. All the information provided by the Borrower to the Bank are true and accurate in all material respects, are not misleading and does not omit any material fact, the omission of which would make any fact or statement therein misleading.
2. All the licenses, permits and authorizations required for carrying on its business or industry have been obtained and are in full force and effect and it is in compliance in all respects with all applicable laws, and has good title to, or is otherwise entitled to use its assets.
3. Except to the extent disclosed by the Borrower to the Bank and without prejudice to clause 6.2(iii) of the Facility Agreement:

(a) the Borrower has no subsisting Indebtedness;

(b) there are no encumbrances subsisting or in existence on any of the Borrower’s assets procured under the Facility;

(c) the Borrower has no subsidiaries and holds no equity interest in any other person; and

(d) the Borrower has not engaged in any business or activities, either alone or in partnership or joint venture.

1. The Borrower has complied in all material respects with all taxation laws in all jurisdictions in which it is subject to taxation and has filed all tax returns and paid all taxes and statutory dues due and payable by it, and to the extent any tax is not due or is disputed, the Borrower has established adequate reserves/arrangements for the payment of such taxes and statutory dues.
2. The financial statements provided by the Borrower were prepared in accordance with the generally accepted accounting principles and give a fair and true view of the financial condition as on the date on which they were prepared and there are no undisclosed liabilities, contingent or otherwise and the accounts have been duly audited and there has been no Material Adverse Effect since the date on which those accounts were drawn up.
3. No litigation, arbitration, administrative or other proceeding against the Borrower before any court, tribunal, authority or agency, has been initiated or is threatened in writing to be initiated which, if adversely determined, might have a Material Adverse Effect.
4. No litigation or other proceedings against the Borrower or of any or all of its assets before any court, tribunal, authority or agency has been initiated or is pending for its insolvency, bankruptcy, winding up, dissolution, or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer.
5. Except to the extent disclosed to the Bank, all the Borrower’s contracts or agreements with, or any commitments to, any affiliate, related party or group company (if applicable) are on arm’s length basis.
6. All loans, advances and other monies advanced, in any form, including by way of compulsory convertible debentures, quasi-equity or any other similar instrument, by the directors, promoters and / or their friends and relatives or any of them (“the Promoter Group”) and any other unsecured creditor shall stand and be regarded as subordinate debt in relation to the Facility. During an Event of Default under the Facility, the Borrower shall not repay the said loans and advances of the Promoter Group in whole or in part or pay any interest thereon until such time as the entire outstanding Facility is repaid in full.
7. Neither the Borrower nor any other person benefiting in any capacity, either directly or indirectly, in connection with or from the Facility Agreement and/or any instruments and/or payments thereunder is a Specially Designated National (“SDN”) and/or otherwise sanctioned, under the sanctions promulgated by the United States (including its Office of Foreign Assets Control's (“OFAC”)), India, United Nations, European Union, the jurisdiction of the Facility office and/or any other country/jurisdiction (collectively, the "Sanctions"). The Borrower shall ensure that the transactions do not violate any Sanctions or any sanctioned persons or entities are involved in the transactions. The Borrower agrees that it shall not avail of the Facilities or use the proceeds of the Facilities in any transaction with, or for the purpose of financing the activities of, any person currently subject to any Sanctions as aforesaid.
8. The Sanctions may become applicable with respect to the Facilities and/or transactions thereunder, including documentary credits, guarantees issued, disbursements, payments, purpose and/or end use of the Facilities, origin or shipment of goods manufactured through certain countries, ports, vessels, liners, certain persons and entities (including correspondent banks and the Facility office). Consequently, disbursement, issuance, payment and/or processing under the Facilities by the Bank may become subjected to the Sanctions and the Bank shall have the unconditional right to refuse to process any transactions that violate/may violate any Sanctions.
9. The execution or entering into by the Borrower of the Transaction Documents constitute, and its exercise of its rights and performance of its obligations under the Transaction Documents will constitute, private and commercial acts done and performed for private and commercial purposes.
10. The Borrower is duly incorporated under the laws of India, and has the competence, power and authority to:

(a) enter into the Transaction Documents;

(b) avail the Facility;

(c) own its assets and carry on its business and operations as it is being or is proposed to be conducted;

(d) exercise its rights and perform its obligations under the Transaction Documents and

(e) perform all other actions required to authorise the execution of the Transaction Documents.

1. The entry into, delivery and performance by the Borrower of, and the transactions contemplated by the Transaction Documents do not and will not conflict with:

(a) any law;

(b) the constitutional documents of the Borrower; or

(c) any document or contract which is binding upon the Borrower or on any of its assets.

All assets of the Borrower which are of insurable nature are and shall, at all times, be kept insured upto the reinstatement value thereof, to the satisfaction of the Bank

1. No Event of Default has occurred or is subsisting or might result from execution of the Transaction Documents, or availing of the Facilities by the Borrower.
2. The Borrower acknowledges that the Facility provided is a commercial transaction and waives any defense available under usury or other laws relating to charging of interest.
3. Neither the Borrower nor any director or promoter of the Borrower has been declared to be a wilful defaulter. The Borrower shall not induct a person identified as wilful defaulter in the capacity of director or promoter. In the event the person so inducted is found to be a wilful defaulter, the Borrower shall take expeditious and effective steps for removal of such person.
4. Except to the extent disclosed to the Bank:

(a) No director of the Bank is: a director, manager, managing agent, employee or guarantor of the Borrower, or of a subsidiary of the Borrower, or of the holding company of the Borrower, or holds substantial interest, in the Borrower or a subsidiary or the holding company of the Borrower and no director of any other bank (including scheduled co-operative banks), or directors of subsidiaries/trustees of mutual funds/venture capital funds set up by the Bank or any other bank holds substantial interest or is interested as director or as a guarantor of the Borrower and the Borrower is in compliance with all Applicable Laws including RBI’s ‘Master Circular on Loans and Advances’, as amended and replaced from time to time.

(b) No relative (as specified by RBI) of a Chairman / Managing Director or director of banking company (including the Bank) or their subsidiaries or trustees of mutual funds/venture capital funds set up by a banking company (including the Bank) is interested as a partner or as a director or a major shareholder or is in control of the Borrower or the Borrower’s holding or subsidiary company or is interested as a guarantor in the Borrower; and (ii) no relative of senior officer (as specified by RBI) of the financing banks, hold substantial interest or is interested as a director/partner or as a guarantor of the Borrower.

For the purposes of the aforesaid clause, the terms ‘control’ and ‘major shareholder’ shall have the meaning ascribed to them under the RBI Master Circular on Loans and Advances - Statutory and Other Restrictions dated July 01, 2015 (as amended and/or supplemented from time to time).

6.2 COVENANTS AND UNDERTAKINGS

(i) Information Covenants

The Borrower shall promptly notify and/or deliver to the Bank:

1. if the Bank so requires within such time and in a manner as may be acceptable to the Bank, a certificate from its statutory auditor or any of its Key Managerial Personnel, duly authorised by requisite corporate authorisations, regarding the end use of the Facility and that the Facility has been utilised for the Purpose, and not diverted or applied for any other purpose.
2. of the occurrence of any event or the existence of any circumstances which constitutes or results in any declaration, representation, warranty, covenant or condition under the Transaction Documents being or becoming untrue or incorrect in any respect.
3. of any circumstances and conditions (including any material loss or legal proceedings) which shall have a Material Adverse Effect.
4. of any action or steps taken or legal proceedings started by or against it in any court of law for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of the Borrower or of any or all of its assets.
5. of the occurrence of an Event of Default, and the steps, if any, taken to rectify the same.
6. of any loss or damage which the Borrower may suffer due to any event or circumstance or Act of God.
7. of any change in the directors or management set-up of the Borrower.
8. of any litigation, arbitration, investigation, administrative or other proceedings initiated or threatened in writing against the Borrower or any of its assets, which if adversely determined, might have a Material Adverse Effect and submit copies of any reports in relation thereto.
9. copies of all documents issued by the Borrower to all its financial creditors at the same time as they are issued.
10. such information or documents, financial or otherwise, as are specified in the CAL, or as may be required by the Bank from time to time in relation to the Facilities, the Borrower’s business and operations, assets etc., including those in relation to its hedging policy, foreign currency exposures and hedging position thereof and those required for renewal of the Facilities, within the period specified in the CAL or by the Bank. The information regarding foreign currency exposure and the hedging position thereof shall be (i) duly certified by its directors or company secretary, within 30 (thirty) days of expiry of each fiscal quarter; and (ii) audited and certified by its statutory auditor within 6 months of expiry of each fiscal year.
11. all notices, agenda, minutes and other communication of the general meetings, board meetings and/or meetings of any committees of the board of directors of the Borrower, as may be demanded by the Bank, upon the occurrence of an Event of Default. For avoidance of doubt, it is clarified that such right of the Bank shall be in addition to any other rights available to it under the Transaction Documents.

(ii) Affirmative Covenants/Undertakings

The Borrower covenants and undertakes that:

1. it shall maintain its existence, corporate or otherwise, and right to carry on its business and operations and comply with applicable laws.
2. in the event that the existing auditors cease to act as the auditors of the Borrower for any reason, the Borrower shall promptly inform the Bank of the reasons for such cessation and shall appoint another firm of independent chartered accountants, acceptable to the Bank, in accordance with applicable laws. No approval shall be required if the new auditor appointed is amongst Deloitte Touche Tohmatsu Limited, Ernst & Young Global Limited, KPMG International Cooperative, PricewaterhouseCoopers International Limited, Grant Thornton International Limited, BDO India LLP or firms affiliated to the above.
3. it shall, promptly obtain, maintain and comply with the terms of all authorisations necessary for entering into or performing its obligations under the Transaction Documents or for conducting its business and operations.
4. it shall conduct its business and operations in accordance with prudent and accepted industry standards and with due diligence and efficiency and in accordance with sound technical, financial and managerial standards and business practices.
5. it shall keep and maintain in accordance with applicable laws, all statutory books, books of accounts, bank statements and other records of the Borrower and in particular, maintain records showing the operations and financial conditions of the Borrower and such records shall be open to examination by the Bank and / or its authorised representatives.
6. it shall permit or cause the Security Provider to permit, the Bank or such other persons as may be authorised by the Bank, to inspect its premises, units, projects, assets, documents and other materials, at reasonable times. The Borrower shall ensure full co-operation and assistance to the Bank or any person so authorized by the Bank, including allowing the taking of any copies or extracts, as may be required by the Bank or persons authorized by it. The cost and expenses of any such visit or inspection shall be borne by the Borrower;
7. allow the Bank to appoint, whenever it considers necessary, upon the occurrence of an Event of Default, chartered accountants, cost accountants, forensic experts or other consultants for carrying out concurrent or special audit or examination of the Borrower. The cost and expenses of any such audit or examination shall be borne by the Borrower;
8. it shall ensure that it routes its collection, forex and ancillary business through the Bank as more particularly specified in the CAL.
9. it is not and will not be entitled to and will not claim immunity for itself or any of its assets from suit, execution, attachment or other legal process in any proceedings in relation of the Transaction Documents.
10. it shall indemnify and keep the Bank indemnified against any cost, loss, liability or third party claims (including legal fees and any applicable indirect taxes) incurred by the Bank under the Facilities (including any instruments and documents under the Facilities) and /or the Transaction Documents and/or due to any breach by the Borrower of the Sanctions or any action taken by the Bank on account of breach of the Sanctions, except where the aforesaid cost, loss, liability are incurred by the Bank due to the Bank’s gross negligence or willful misconduct, as determined by a court of competent jurisdiction. The Borrower further agrees and acknowledges that transmission of information through facsimile or other electronic mode is not a secure means of sending information and may be subject to defects such as tampering or unauthorized access, fraudulently or mistakenly written, altered or sent and not to be received, in whole or part, by the intended recipient. The Borrower shall indemnify and keep the Bank indemnified against any cost, loss, liability or claims incurred by the Bank as a result of acting on instructions or information suffering from any of the aforementioned defects
11. the Bank shall have the right to declare the Borrower and guarantor(s), if any, a wilful defaulter, in accordance with the guidelines laid down by RBI.
12. if the Bank has expressly or impliedly allowed the Borrower to continue to use the Facilities beyond the validity as specified in the CAL, then (i) all the terms and conditions contained in the Facility Agreement and other Transaction Documents, shall continue to apply for the Facilities so utilised; (ii) all the existing security and/or contractual comfort, if any, in respect of the Facilities, shall remain in full force and effect and continue to secure the Facilities so utilised.
13. promptly authenticate and verify the Financial Information submitted by the Bank and consent to the Bank accessing its financial information available with information utilities, as and when requested by information utilities.
14. The viewing of information pertaining to the Borrower’s debt from other lender/creditors, by the Bank, will not violate the privacy of information of the Borrower.
15. ensure that its foreign currency exposures, if any, are suitably hedged (including without limitation, pursuant to a suitably authorized risk management policy as may be required by applicable law) and such hedging policy remains in full force and effect and updated from time to time, till all the monies due and payable under the Transaction Documents are fully paid to the satisfaction of the Bank;
16. wherever applicable, it shall, at all times, ensure compliance with the Reserve Bank of India guidelines on Loan System for Delivery of Bank Credit issued on December 05, 2018 (“Guideline”) during the tenure of the Facility. The Borrower further agrees that, wherever the Guideline is applicable, the Bank shall be entitled to revise the Facilities, including the loan component, other component and their thresholds, without prior consent of the Borrower, if any such revision is required to ensure compliance with the Guideline;
17. it shall ensure that its subsidiaries/step-down subsidiaries, which are executing the Projects, shall utilize the Loan Facility or funds from other sources to meet their contractual payment obligations arising from the Procurement Contracts pertaining to the equipment procured/to be procured under the Facility for the Projects;
18. it shall ensure that its subsidiaries/step-down subsidiaries, which are executing the Projects, shall make the payment to the Borrower for purchase of equipment procured by the Borrower under the Facility, into the account of ICICI Bank and such account shall be specifically identified by the Borrower in the invoices raised to the subsidiaries/step-down subsidiaries by it;
19. After the Loan Facility is available for disbursement for a particular Project, it shall ensure that the subsidiaries/step-down subsidiaries which are purchasing equipments procured by the Borrower under the Facility for that particular Project, maintain and have an undisbursed amount of Loan Facility, which is available for disbursement, equal to or more than the utilized amount of the Facility; and
20. to comply with such other conditions/covenants as may be mentioned in the CAL.

(iii) Negative Covenants

The Borrower hereby further covenants and agrees that without the prior written approval of the Bank, the Borrower shall not:

1. undertake or permit any merger, de-merger, consolidation, reorganisation, scheme of arrangement or compromise with its creditors or shareholders or any class of them or effect any scheme of amalgamation or reconstruction;
2. enter into any management contract or similar arrangement whereby its business or operations are managed by any other person, except for normal course of business;
3. declare or pay any dividend or make any distribution of profits or pay any remuneration to its promoters / shareholders or permit withdrawal of amounts brought in if an Event of Default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend or authorisation or making of distribution or withdrawal;
4. make any investment whether by way of deposits, loans or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance or in any manner become directly, indirectly or contingently liable for or in connection with the obligation of any person other than entities related to renewables business including directly or indirectly held subsidiaries, joint ventures and associate companies of the Borrower. This provision shall not apply to loans and advances granted to staff or contractors or suppliers in the ordinary course of business;
5. effect any change in its constitutional documents which is regarding a material change in the business of the Borrower or have a Material Adverse Effect;
6. redeem, purchase, buyback, retire or repay any of its equity share capital, de-list its shares from stock exchanges, if applicable, or resolve to do so for so long as any sums of money are due and payable to the Bank under this Facility Agreement;
7. change its financial year-end from the date it has currently adopted or change the accounting method or policies currently followed by the Borrower unless expressly required by applicable law;
8. create or permit to subsist any security interest, encumbrance, mortgage, hypothecation, pledge or charge over any of its assets other than the already existing charges which have been disclosed in writing to the Bank or sell, transfer or otherwise dispose of (or agree to do any of the foregoing at any future time) any of its assets. This provision shall be applicable only upon the occurrence of an Event of Default or if any of the above activities might have a Material Adverse Effect.
9. pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any obligation (including Indebtedness) undertaken for or by the Borrower in relation to the Facilities;
10. pay any compensation to its promoters or directors in the event of loss of office for any reason whatsoever, if there is any default in payment of any monies due and payable under the Facility.

ARTICLE VII

EVENTS OF DEFAULT

7.1 The occurrence of any one or more of the following events shall constitute an event of default (“Event of Default”) under the Facility Agreement:

1. Payment Default - Default has occurred in the payment of any monies in respect of the Facilities on the Due Dates, except where default is due to administrative/operational issues or on technical grounds and has been paid in full within 3 Business Days whether at stated maturity, by acceleration or otherwise.
2. Breach of Terms - Borrower is in breach of any covenant, undertaking, condition, agreement or any other terms of the Transaction Documents (other than those specifically provided under Clause 7.1 (i) and (iii) to (x) of this Facility Agreement) and such default has continued for a period of 30 (thirty) days from the date of default (except where the Bank is of the opinion that such default is incapable of remedy, in which event, no cure period shall be applicable).
3. Bankruptcy, Insolvency, Dissolution
4. If the Obligor(s) has voluntarily taken any action for its insolvency, winding-up or dissolution;
5. If any step or action has been taken for reorganization, winding up or dissolution of an Obligor or if a receiver or liquidator (including provisional liquidator) has been appointed or allowed to be appointed over all or any part of the assets of the Obligor(s) or if any attachment or distraint has been levied on the Obligor’s assets or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Obligors or if one or more judgments or decrees have been rendered or entered against the Obligor(s) and such judgments or decrees are not vacated, discharged or stayed within a period of 30 (thirty) days and such judgments or decrees involve in the aggregate, a liability which could have a Material Adverse Effect;
6. If any petition or application in relation to insolvency or bankruptcy resolution of the Obligor (including without limitation, corporate insolvency resolution process and bankruptcy process under the IBC) is filed before any court, tribunal or authority of competent jurisdiction and such petition is not dismissed/stayed/ quashed/withdrawn within 7 (seven) days from the date of filing of petition or application or the Obligor(s)  has become bankrupt or insolvent or is dissolved.
7. If any petition or application in relation to insolvency or bankruptcy resolution of the Obligor (including without limitation, corporate insolvency resolution process and bankruptcy process under the IBC) is admitted before any court, tribunal or authority of competent jurisdiction.
8. Security in Jeopardy – If in the opinion of the Bank, the Security, if any, for the Facilities is in jeopardy or ceases to have effect or if any of the Transaction Documents executed or furnished by or on behalf of the Borrower becomes illegal, invalid, unenforceable or otherwise fails or ceases to be in effect or fails or ceases to provide the benefit of the liens, rights, powers, privileges or security interests purported or sought to be created thereby or if any of such Transaction Documents is assigned or otherwise transferred, amended or terminated, repudiated or revoked without the approval of the Bank.
9. Change in Control - Any person acting singularly or with any other person either directly or indirectly acquires control of the Borrower or of any other person who controls the Borrower, without the approval of the Bank.
10. Misleading Information and Representation – Any information given by the Borrower or on its behalf, including but not limited to, information given at the time of appraisal of the loan, representation and warranty, or statement made or repeated, or deemed to be made or repeated, in or in connection with any of the Transaction Documents, is incorrect or misleading in any material respect.

(vii) Illegality - Any obligation under the Facility Agreement or any of the Transaction Documents, is not or ceases to be a valid, legal and/or binding obligation of any person party to it or becomes void, illegal, unenforceable or is repudiated by such person.

(viii) Cross Default

1. Borrower is unable or has admitted its inability to pay any of its Indebtedness to a Financial Creditor or any bank or financial institution, whether at stated maturity, by acceleration or otherwise.
2. Any Financial Creditor or bank or financial institution cancels and/or recalls any Indebtedness of the Borrower, as a result of an event of default (however described).
3. Any Indebtedness to a Financial Creditor or a bank or financial institution secured by an encumbrance over the assets of the Borrower, is not paid, whether at stated maturity, acceleration or otherwise.

Provided, however, that the above shall apply only if the Indebtedness is (a) more than 2% of the total Indebtedness of the Borrower or INR 500.0 million, whichever is lower, and (b) is not cured within 30 days from the date of default.

(ix) Material Adverse Effect – Occurrence or existence of one or more events, conditions or circumstances (including any change in law), which in the opinion of the Bank, could have a Material Adverse Effect.

(x) Other Events – Any other event or circumstance specified as an Event of Default under the CAL.

7. 2 CONSEQUENCES OF EVENT OF DEFAULT

Notwithstanding any other right that may be available to the Bank or anything contrary contained in any of the Transaction Documents, on the happening of an Event of Default or if the Overall Limits / Limits are not renewed beyond the validity period specified in the CAL or if the Borrower has not availed of or drawn from the Facilities by the aforesaid validity period, the Bank may, by a notice in writing to the Borrower, exercise the following rights, each of which shall be an independent right:

* + 1. terminate the Facilities and/or declare any or all of the amounts under the Facilities as immediately due and payable, to the Bank, whereupon the same shall become due and payable by the Borrower forthwith, in accordance with the terms of the notice.
    2. suspend further access to/ drawals by the Borrower of the Facilities.

Notwithstanding any suspension or termination pursuant to the Facility Agreement, all provisions of the Transaction Documents for the benefit or protection of the Bank and its interests shall continue to be in full force and effect as provided in the Transaction Documents;

* + 1. declare the Security created, if any, in terms of the Transaction Documents to be enforceable, and notwithstanding anything to the contrary contained in the Transaction Documents the Bank or such other person in favour of whom such security or any part thereof is created shall have, inter alia, the right to:

(a) enter upon and take possession of, and / or transfer (by way of lease, leave and licence, sale or otherwise), the assets comprised within the Security, if any;

(b) exercise any right, power or remedy permitted to it by law, including by suit, in equity, or by action at law, or both, or otherwise, whether for specific performance of any covenant, condition or term contained in this Facility Agreement or other Transaction Documents or for an injunction against a violation of any of the terms and conditions of this Facility Agreement or other Transaction Documents, or in aid of the exercise of any power or right granted in this Facility Agreement or other Transaction Documents and/or as a creditor.

* + 1. stipulate such other additional terms and conditions, as the Bank may deem fit.
    2. the Bank shall be entitled to have all the assets offered as security for the Facility, valued by an appraiser appointed by the Bank in accordance with the prevalent market practice, at the cost of the Borrower and the Borrower agrees and confirms to give all the required assistance / co-operation to such appraiser for such valuation and the said valuation shall be binding on the Borrower.
    3. exercise such other remedies as may be permitted or available to the Bank under law, including RBI guidelines.

ARTICLE VIII

CANCELLATION

8.1 Notwithstanding anything contained in the Transaction Documents, the Bank shall have the unconditional right to cancel the unutilised portion of the Facility, in whole or in part, at any time during the subsistence of the Facility, without giving any prior notice to the Borrower, for any reason whatsoever, including but not limited to, on the occurrence of deterioration of creditworthiness of the Borrower, or for non-compliance of any terms and conditions of the Transaction Documents.

ARTICLE IX

MISCELLANEOUS

1. SERVICE OF NOTICE

(i) All notices or other communications under or in connection with the Facilities shall be given in writing and shall be deemed to be effective:

(a) if sent by letter, when delivered personally or if dispatched by post, when recall of the letter is outside the control of the sender;

(b) if sent by e-mail or any other electronic or telecommunication mode, when sent by the sender; and

Provided, however, that no notice or communication to the Bank shall be effective unless actually received by the Bank.

(ii) All notices or communication to the Borrower or the Bank, as the case may be, shall be made to the address provided in Schedule I, or such address as may be notified by each party in writing, from time to time.

(iii) All notices or communication from the Borrower to the Bank, through email, shall be from the email ID of the authorized signatory of the Borrower, as provided in Schedule I or from the email ID of any other authorized signatory, as may be notified by the Borrower in writing, from time to time, and such notice or communication shall be considered valid and binding on the Borrower and the Bank shall be authorized to rely and act upon such email notices or communications, without any further checks or verification, including with regard to its validity, genuineness or accuracy.

(iv) The Borrower acknowledges and confirms that any notice provided by the Bank shall be treated by the Borrower as sufficient and reasonable notice to the Borrower and agrees to assume the liability for any non-delivery of a notice as aforesaid, by any reason of any error, electronic or otherwise.

1. EVIDENCE OF DEBT

The Bank shall maintain, in accordance with its usual practice, accounts evidencing the amounts from time to time lent by and/or owing to it under the Facilities which shall be prima facie and conclusive evidence of the existence and amount of obligations of the Borrower, including for the purpose of IBC.

1. ACKNOWLEDGMENT OF DEBT

Without prejudice to the provisions contained in Clause 9.2 above, upon receipt from the Bank of statement(s) giving details of:

(i) the aggregate debit balance in the Account as on the date(s) stated in such statement(s);

(ii) the further applicable accrued interest from the aforesaid date(s) mentioned in the aforesaid statement(s);

(iii) securities, if any, created for securing the Facilities / the amounts stated in the aforesaid Account

the Borrower shall within 7 (seven) Business Days thereof inform the Bank of any inaccuracy thereon failing which Borrower shall be deemed to have confirmed the correctness of the entries in such statement(s) and acknowledged the indebtedness for the balance mentioned in the aforesaid statement(s).

1. ASSIGNMENT

## (i) The Borrower shall not assign or transfer all or any of its rights, benefits or obligations under the Transaction Documents without the approval of the Bank. Notwithstanding anything contained in the Transaction Documents, the Bank shall be entitled to, at any time, assign, novate or transfer, the whole or part of its outstanding or commitment in one or more tranches, and all any of its rights, benefits and obligations, under the Transaction Documents (including security interest) to any person, without the prior approval of the Borrower. Notwithstanding any such assignment or transfer, the Borrower shall, unless otherwise notified by the Bank, continue to make all payments under the Facility Agreement to the Bank and all such payments when made to the Bank shall constitute a full discharge to the Borrower from all its liabilities in respect of such payments. The Borrower acknowledges and confirms that in case of an assignment or transfer of a part of the Facility by the Bank, each of the Bank, transferee and/or assignee shall be deemed to have provided independent facilities under the Facility Agreement. Each of the Bank, transferee and/or assignee shall have an independent cause of action, notwithstanding that the default arises on the same date or is in respect of the same Transaction Documents.

## (ii) Without prejudice to the aforesaid provision, the Bank shall be entitled to, without notice to the Borrower, share the credit risk of the whole or a part of the Facilities with any other person by way of participation. Notwithstanding such participation, the terms of the Transaction Documents shall continue to remain valid, effective and enforceable until the repayment/payment in full of the Facilities and all monies in respect thereof and the Borrower shall not claim any privity of contract with such person on account of any reason whatsoever.

1. SET OFF
2. The Bank shall have the paramount right of set-off and lien, irrespective of any other lien or charge, present as well as future on the deposits of any kind and nature held / balances lying in any accounts of the Borrower, whether in single name or joint name(s) (for which, the Borrower hereby confirms that the requisite consent has already been procured by the Borrower from the relevant third party) and on any monies, securities, bonds and all other assets, documents and properties held by / under the control of the Bank and / or its group companies whether by way of security or otherwise pursuant to any contract entered / to be entered into by the Borrower in any capacity to the extent of all outstanding dues, whatsoever, arising as a result of any of the Bank's services extended to and / or used by the Borrower and / or as a result of any other facilities that may be granted by the Bank to the Borrower.
3. The Bank is entitled to settle any Indebtedness whatsoever owed by the Borrower to the Bank by adjusting, setting-off any deposit(s) and / or transferring monies lying to the balance of any account(s) held by the Borrower with the Bank to combine or consolidate at any time all or any of the accounts and liabilities of the Borrower including accounts not related to the Facilities, to sell any of the Borrower’s assets or properties held by the Bank or its group companies. The Bank's rights hereunder shall not be affected by the Borrower’s bankruptcy or winding-up. It shall be the Borrower’s sole responsibility and liability to settle all disputes / objections with joint account holders, if any.
4. PROVISIONS RELATING TO FACILITIES DENOMINATED IN CURRENCIES OTHER THAN INDIAN RUPEES

Subject to specific provisions, if any, incorporated in Annexure I hereof, in relation to the relevant product(s), in case any of the Facilities are denominated in any currency other than Indian Rupee, the following conditions shall apply:

(i) The foreign currency amount would be the limiting factor and the Borrower’s liability would accordingly be reckoned in the foreign currency in which the relevant Facilities are denominated.

(ii) Borrower is liable to pay interest and repay principal in the currency in which the relevant Facilities have been denominated. In the event of any default in the payment of principal and / or interest on the Due Date of such Facilities, the Bank may, at its discretion, convert the amount into Indian Rupee, on the Due Date(s) for such payment(s) or on any subsequent date, at the Bank’s telegraphic transfer (“TT”) selling rate prevailing on the date of such conversion. The amount due thereafter, would be reckoned as denominated in Indian Rupee.

(iii) The Indian Rupee equivalent of the relevant Facilities denominated in currencies other than Indian Rupee have been reckoned for the purpose of the Facility Agreement at the exchange rates as mentioned in the CAL.

(iv) In the event the value of Indian Rupee depreciates vis-à-vis the currency in which the relevant Facilities are denominated resulting in increased liability in terms of Indian Rupee vis-à-vis the currency of the relevant Facilities, the Borrower hereby agrees and confirms that:

(a) such increased value in terms of Indian Rupee shall also be covered by the security, if any, stipulated in the Transaction Documents;

(b) the Borrower shall further execute, sign and furnish all such documents, deeds and writings required by the Bank for the aforesaid purpose.

1. **S**EVERABILITY

## Any provision of the Transaction Documents which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of prohibition or unenforceability but that shall not invalidate the remaining provisions of the Transaction Documents or affect such provision in any other jurisdiction.

## 

1. DISCLOSURE

(i) The Borrower agrees, accepts and consents for the disclosure and sharing by the Bank of all or any information and data relating to the Obligors or any credit facilities, including but not limited to Financial Information, information relating to default, if any, committed by the Obligors, in the discharge of the Obligor’s obligations, as the Bank may deem appropriate and necessary to disclose and furnish, to the RBI and/or any agency/credit bureau authorized in this behalf by RBI, to information utilities, to prospective assigns/successors/transferees/novatees/participants, to its professional advisers and consultants and to its service providers, third party or otherwise, through written or oral communication including paper publication (with or without photographs) and/or as required under applicable law, at the order of a court of law, or any statutory, regulatory or supervisory authority of any jurisdiction.

1. The Borrower accepts that RBI or any other agency so authorized, any statutory, regulatory or supervisory authority, may use, process, disseminate the said information and data disclosed by the Bank in such manner as deemed fit by them in any particular circumstances and shall not hold the Bank responsible or liable in this regard.
2. The Bank, its group companies, agents / representatives would be entitled to provide the Borrower, its promoters, directors and employees, information on various products, offers and services through any mode (including through telephone calls / SMS / emails).
3. The Borrower further gives consent to the Bank, to recover/set off any fees required to be paid by the Bank to the information utilities for availing their services in relation to the Facility from the disbursements made to the Borrower by the Bank, from time to time.

1. AMENDMENTS AND WAIVERS

### Save as where otherwise expressly provided in any Transaction Document or pursuant to an RBI direction, this Facility Agreement (including the schedules hereto) may not be amended, supplemented or modified and no term or condition or any part thereof may be waived without the consent of the Borrower and the Bank.

No delay in exercising or omission to exercise any right, power or remedy accruing to the Bank upon any default or otherwise under the Transaction Documents shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Bank in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of the Bank in respect of any other default. The rights of the Bank under the Transaction Documents may be waived only in writing and at the Bank’s sole discretion.

1. GOVERNING LAW AND JURISDICTION

## The Borrower agrees that only the courts and tribunals (including the debt recovery tribunals) of competent jurisdiction at the place mentioned in Schedule I shall have exclusive jurisdiction with respect to any suit, action or any other proceedings (“Proceedings”) arising out of or in relation to this Facility Agreement. The Borrower irrevocably waives any objection, now or in future, to the jurisdiction of the courts and tribunal specified hereinbefore.

## Nothing contained in this clause shall limit any right of the Bank to, commence any Proceedings arising in relation to the Facilities or the Transaction Documents in any other court, tribunal or other appropriate forum of competent jurisdiction and the Borrower hereby consents to that jurisdiction.

## The Transaction Documents (unless otherwise specified in any of the Transaction Documents) shall be governed by and construed in accordance with the laws of India.

SCHEDULE I

|  |  |
| --- | --- |
| Date of Execution | \_\_\_\_ day of January, 2023 |
| Place Of Execution | Delhi, India |
| Borrower’s Details | Adani Green Energy Limited (“AGEL”), a company within the meaning of the Companies Act, 2013 and having its registered office at “Adani Corporate House”, Shantigram, Near Vaishnav Devi Circle, SG Highway, Khodiyar, Ahmedabad- 382421, Gujarat, India and corporate office at “Adani Corporate House”, Shantigram, Near Vaishnav Devi Circle, SG Highway, Khodiyar, Ahmedabad- 382421, Gujarat, India (“Borrower”) |
| Details of Branch or Office Address | Attention: Mr. Gaurav Sahu  Address: JMC House, Opposite of Parimal Gardens, Off C.G. Road, Ambawadi, Ahmedabad – 380006, Gujarat  Email id: gaurav.mor@icicibank.com |
| Notice to the Bank | Attention: Mr. Abhishek Gupta  Address: South Tower, ICICI Bank Towers, Bandra Kurla Complex, Bandra (E), Mumbai  Email id: gupta.abhi@icicibank.com |
| Notice to Borrower | Attention: Mr. Shalin Shah  Address: : Adani Corporate House, Shantigram, Nr. Vaishnodevi Circle, SG Highway - 382421  Email id: Shalin.Shah@adani.com |
| Description of the Facilities  (INR in mn) | Overall Limit: 5,000.0  Fund Based: 10.0 (As a sub-limit of Non Fund Based)  Non Fund Based: 5,000.0 |
| CAL Details | The CAL dated the \_\_\_ day of January, 2023, bearing reference no \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ issued by the Bank to the Borrower. |
| Jurisdiction | The Borrower agrees that only the courts and tribunals (including the debt recovery tribunals) of Delhi shall have exclusive jurisdiction. |

SCHEDULE II

Additional Interest Rates

Additional Interest Rate shall be as per the CAL.

IN WITNESS WHEREOF the Borrower and the Bank have caused this Facility Agreement to be executed on the day, month and year set out in Schedule I

For the Bank:

SIGNED AND DELIVERED by the within named Bank, ICICI BANK LIMITED, by the hand of Mr. / Ms. \_\_\_\_\_\_\_\_\_\_\_\_\_, its authorized official

For the Borrower:

SIGNED AND DELIVERED by the within named Borrower, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, by the hand of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ANNEXURE I

TERMS AND CONDITIONS APPLICABLE FOR SPECIFIC FACILITIES

PART A

(LETTER OF CREDIT(S) / LC)

1. LC FACILITIES

The Bank has, at the request of the Borrower, agreed to open Letters of Credit in foreign currencies and / or in rupees in favour of the Suppliers for amounts to the maximum extent of the respective Limits specified in the Facility Agreement (the “LC Facilities”, which expression shall, as the context may permit or require, mean any or each of such LC Facilities) from time to time. Provided, however, the total of LC Outstanding and Amounts Devolved under the LC Facilities shall not at any point of time exceed the amount of the respective Limits.

2. PAYMENT AND INTEREST

(i) The Borrower shall accept and / or pay all Bills drawn in terms of the:

(a) Sight LCs, on presentation of Documents,

(b) Usance LCs, on the date of its maturity.

(ii) If, on default by the Borrower in paying the Bills / amounts paid / payable by the Bank in respect of the LCs on the Date of Crystallisation, the Bank is called upon / required / expected to pay or has paid, all or any of the monies in pursuance of the LCs, the Borrower shall forthwith pay / reimburse to the Bank, all amounts payable or as the case may be, paid by the Bank under the LCs together with all interest, costs, charges, expenses and monies whatsoever stipulated in or payable under the Transaction Documents. The Bank shall be entitled, at its sole discretion, without any further consent from the Borrower, to debit the Account or any of the accounts of the Borrower with the Bank, with the aforesaid amounts.

(iii) (a) Notwithstanding the above and without prejudice to the Bank’s other rights and remedies under the Facility Agreement, the Bank shall be at liberty to crystallise on the Date of Crystallisation, the Borrower’s outstanding liability in respect of the LCs denominated in foreign currencies, by converting the foreign currency amount into Rupees, whereupon the Borrower shall forthwith pay / reimburse to the Bank the Indian Rupee equivalent of such foreign currency amount as calculated at the Applicable Rate of Exchange in respect of such LCs (the “Defaulted Amounts – FC LC”) and until such payment by the Borrower, the same shall unless otherwise agreed to by the Bank in writing be deemed to be on demand loan to the Borrower and shall, without prejudice to any other rights and remedies available to the Bank, carry interest at the rate specified in Schedule II of the Facility Agreement. Any difference on account of exchange fluctuations in the rates of foreign currencies involved between the payment made by the Borrower to the Bank and the actual amounts incurred by the Bank shall be borne by or be given credit to the Borrower. All payments made by the Bank in foreign currencies may be, at the option of the Bank, converted into rupees with reference to the actual cost to the Bank (including all commission or other bank charges and out-of-pocket expenses) in remitting the foreign currencies.

(b) Notwithstanding the above and without prejudice to the Bank’s other rights and remedies under the Facility Agreement, the Bank shall be at liberty to crystallise on the Date of Crystallisation, the Borrower’s outstanding liability in respect of the LCs denominated in rupees (the “Defaulted Amounts – RLC”) and until such payment by the Borrower, the same shall unless otherwise agreed to by the Bank in writing be deemed to be on demand loan to the Borrower and shall, without prejudice to any other rights and remedies available to the Bank, carry interest at the rate at the rate specified in Schedule II of the Facility Agreement.

Defaulted Amounts - LC FC and Defaulted Amounts – RLC are hereinafter referred to as the “Defaulted Amounts”.

(c) Notwithstanding anything contained herein, the interest payable by the Borrower with respect to the Facility shall be subject to the changes in interest rates made by the RBI from time to time.

3. BORROWER’S CONFIRMATIONS

1. The Bank may in its sole and absolute discretion and without reference to the Borrower and without the Bank being required to ascertain whether or not there was any breach on the part of the Borrower of the agreements / contracts underlying the LCs and without the Bank being required to go into the validity thereof or otherwise and notwithstanding any directions to the contrary given by the Borrower or any other person on the ground of a dispute as to the liability of the Borrower or otherwise, admit or compromise and pay or submit to arbitration or dispute or resist any claim or demand made against the Bank under or in respect of such LCs and the benefit of the Facility Agreement shall continue to be available to the Bank in respect of any action or repayment which the Bank may take or make in respect of such LCs / LC Facilities.

(ii) The Borrower shall not amend or agree to amend or grant waiver of any of the provisions of the Documents.

(iii) The LCs will be opened by the Bank only as per the provisions of applicable laws and regulations including exchange control norms laid down by RBI and import trade regulations.

(iv) Import LCs will be opened by the Bank against valid import licences, wherever applicable.

(v) In respect of Usance LCs, the goods received under the unpaid LCs will be excluded from the value of stocks for arriving at Drawing Power for availing fund based financial assistance.

(vi) In case of high value LCs, the Borrower shall, if so required by the Bank, furnish projected cash flow statements, opinion reports from reputed information exchange bureaus acceptable to the Bank or from other banks / institutions in India or overseas at the costs and expenses of the Borrower.

(vii) The Bank shall issue LCs only in a form acceptable to the Bank.

* 1. The Borrower shall make adequate arrangement for retiring the Documents under the LC Facilities and does not contemplate to seek any financial assistance from the Bank for such purpose, unless otherwise previously arranged with the Bank.
  2. The Borrower shall have furnished to the Bank at the time of submitting the Documentary Credit Application, the following, duly completed:

(a) Order together with the order confirmation of Supplier; or

(b) Proforma invoice of Supplier duly countersigned by the Borrower; or

(c) Indent / offer from Supplier or his authorised agent together with the exchange control copy of the relative Import licence; or

(d) Any other documents as may be specified by the Bank from time to time.

* 1. The Borrower shall submit to the Bank the exchange control copy of the relative Customs Bills of Entry within the time limit stipulated by RBI.
  2. In the event the Borrower requests the Bank to issue delivery order (“DO”) pending receipt of Documents to enable the Borrower to clear the goods covered under the LCs, the Borrower shall accept and retire the Documents irrespective of any discrepancy on receipt or on due date without any demur whatsoever.

* 1. In the event agency commission is payable in India or abroad, the Borrower shall deduct the same and request the Bank to open the LCs for the net amount of the contract value. If the invoice(s) presented for negotiation by the foreign Suppliers indicate agency commission amount(s) payable to the local agents of such Suppliers, the Borrower shall promptly effect the payment of such commission in equivalent rupees out of its own resources and submit to the Bank the receipt(s) from the local agents of such Suppliers.

(xiii) (a) The Documentary Credit Application shall be deemed to have been accepted when advice thereof has been sent to the beneficiary through SWIFT / tested telex / airmail;

(b) The date of receipt of Documents by the Bank under the LC Facilities as registered in the records of the Bank shall be conclusive and binding on the Borrower;

(c) The import of Goods is / are not in contravention of Trade Policy / Exim Policy guidelines and / or any other laws, policy and guidelines prescribed by the Government of India from time to time;

(d) It has a valid Import Export Code assigned by the Director General of Foreign Trade;

(e) It is authorised to undertake imports of the Goods, wherever applicable;

(f) The transaction covered under the LC Facilities does not involve and is not designed for the purpose of any contravention or evasion of the provisions of Foreign Exchange Management Act, 1999 or of any rule, regulations, notifications direction or order made thereunder or of any other law, rule, regulation or direction.

(xiv) The LCs may be amended and / or modified by the Bank in its absolute discretion, including for an increased limit on the Borrower giving the Bank written instruction for the same and in such an event, such amendment / modification will be deemed to form part of the relevant Documentary Credit Application and will be governed by the terms hereof and the Borrower agrees, covenants, records and confirms that it shall be bound by the same as if such amendment / modification including the increased limit had originally constituted the term of the LCs.

(xv) The LC Facilities shall be utilised only for the purpose as has been disclosed to the Bank in Documentary Credit Application, unless otherwise previously permitted by the Bank in writing;

(xvi) The Bank shall be entitled, at its sole discretion and without any reference to and / or consent of the Borrower, to make payment of the Bills under the LCs on presentment thereof or on the due date thereof;

(xvii) Notwithstanding the possibility or existence of any dispute or differences or of any arbitration or legal proceedings whatsoever between the Borrower and the beneficiary of the LCs and / or between the Borrower(s) inter-se, which may directly or indirectly arise out of or under or in connection with the subject matter(s) of the LCs or which may affect the legality or validity of the LCs and / or any transaction(s) relating thereto, the reasonableness or propriety or validity of any payment shall be conclusive and binding on the Borrower, in terms of its liability to the Bank under the Facility Agreement.

(xviii) In respect of Goods, their documents of title, or other related Documents in favour of the Bank / held by the Bank or released by the Bank, in its sole discretion, at the request of the Borrower, the Borrower agrees, confirms and undertakes that:

(a) the Borrower shall receive, hold and store, in trust for the Bank, the underlying Goods and / or their documents of title and/or the Documents delivered by the Bank to the Borrower, until sale of the underlying Goods. If so required by the Bank, the Borrower shall, acting in the capacity of the Bank’s trust agents, sell the Goods, at such price as the Bank may approve and immediately upon receipt thereof, pay the said proceeds to the Bank without any deduction as well as advise the Bank of the account and the transaction in respect of which such payment is made;

(b) Bank shall have full authority to demand and receive from the purchaser, the purchase money of the Goods sold or any part thereof;

(c) Borrower shall at its own cost insure and keep the Goods insured to their full value against such risks and with such insurers, as acceptable to the Bank, and hold the policies in trust on behalf of the Bank and in the name of the Bank, and if required assign or ensure that Bank’s name is noted as first loss payee, and deliver the policies to the Bank and ensure payment to the Bank of all sums payable by the insurers under or in respect of such policies;

(d) Borrower shall store / keep the Goods separate and shall not raise any finance against the same without the approval of the Bank and the Goods shall be excluded from the value of stocks for arriving at the Drawing Power for availing fund based financial assistance;

(e) Bank, its officers, servants and agents shall be at liberty at all times without notice to the Borrower, to inspect the Goods and retake possession or demand redelivery thereof to the Bank (which the Borrower undertakes to give on demand) and remove and sell the same, at such price, in such manner and upon such terms and conditions as the Bank may in its absolute discretion think fit and otherwise take whatever steps the Bank considers expedient for the protection of their interest therein and enforcement and realization of Security;

(f) the Goods shall be a Security to the Bank for the payment of all monies payable to the Bank from the Borrower under the LC Facilities and all monies in respect thereof under the Transaction Documents;

(g) the Goods shall in all respects be treated by the Borrower, in its books as belonging to and held on behalf of the Bank.

(xix) if for any reason whatsoever the liability of the Bank extends beyond the validity period specified in the LCs or if the Bank is prevented by any action initiated by the Borrower or otherwise from making payment of part or whole of the amounts under the LCs, the Borrower shall be liable to pay commission for such extended period, until the Bank is discharged of its obligations under the LCs.

(xx) the Borrower shall provide / deposit immediately on demand and without demur, additional acceptable security to the Bank and / or sufficient amounts by way of 100% cash margin on the amounts of the LCs in respect of which the Bank is restrained from making payment.

4. NO LIABILITY

The Borrower agrees that the transmission of all instructions and communications under the LCs and the shipping of Documents and the Goods thereunder is entirely at the Borrower’s risk. The Bank or its correspondents or agents or confirming banks shall not be responsible for any error or delay in such transmission or loss or delay in delivery of the Documents or the Goods.

5. INDEMNITY

In addition to the indemnity provisions contained elsewhere in the Facility Agreement, the Borrower shall indemnify and keep the Bank indemnified against any liability, loss, damages, costs, which the bank may incur or suffer in connection with the LC as a result of:

1. Bank issuing any DO and or the Borrower refusing to accept any discrepancy in the Documents on receipt or on due date;
2. any payments made to the Suppliers, under the LCs, inclusive of payments made outside India, regardless of the consignment of the Goods, irrespective of receipt of the relevant Documents and notwithstanding any discrepancy between the quantity or quality of the Goods received from the Suppliers and the contracted quantity and quality;
3. release to the Borrower, on trust, of the Goods, movables and other assets pledged to the Bank notwithstanding any discrepancy between the price, quantity and quality of the Goods and the price, quantity and quality specified in the contract;
4. Borrower's act, default or omission or of the Borrower's servants or employees or other person acting on behalf of the Borrower in respect of goods, movables and other assets pledged to the Bank and released to the Borrower on trust;
5. The Bank complying with the Borrower's instructions to deliver to the Borrower or to the Borrower's clearing agents the documents covering the goods, movables and other assets; whether or not the said documents are in order; notwithstanding any discrepancy between the price / value, quantity and quality of the goods, movables and other assets covered by the documents and price, quantity and quality specified in the contract;
6. The Bank complying with the Borrower's request to effect advance payments from time to time to the suppliers, whether or not the suppliers consign the goods, movables and other assets, whether or not the documents in respect thereof are received by the Bank; and notwithstanding any discrepancy between the quantity or quality of the goods, movables and other assets received from the suppliers and the contracted quantity and quality;
7. Any cost, charges and expenses incurred in connection with the Goods and / or the documents of title to Goods covered by the LCs including for re-shipment thereof for any reason whatsoever, or in the exercise or enforcement of any right or power hereby conferred or otherwise howsoever;
8. any claim, whatsoever which may be brought or made against or sustained or incurred by the Bank and which the Bank may become liable under or in respect of the LCs;
9. action or proceedings made or brought against the Bank, its correspondents or confirming banks or agents in connection with the LC;

1. the Bank, its correspondents or confirming banks or agents having established the LCs;
2. every payment made, obligation, liability, loss and damage, penalties, taxes, etc.;
3. whatsoever undertaken or incurred or suffered by the Bank (whether directly or indirectly) under or in connection with and / or arising from all or any or some of such LCs;
4. the Bank making payment to the Suppliers, under the LCs, without deducting tax in India whether or not such payment attracts withholding tax in India or requires due certification by a qualified accountant.

6. SALE OF GOODS

1. On the happening of any of the Event of Default, the Bank shall be entitled without prejudice to any of its other rights contained in the Transaction Documents or under the law and without notice to the Borrower (which the Borrower hereby expressly waives), to sell the Goods whether before or after their arrival, either by public auction or tender or by private contract and subject to such conditions as the Bank may deem fit to impose, or otherwise dispose of or deal with the Goods or any part thereof and / or with the relative documents of title to the Goods in any manner whatsoever, without being bound to exercise any of these powers or liable for any loss in the exercise or non-exercise thereof. The proceeds realised from sale of the Goods or transfer or any document of title, remaining after deducting therefrom the costs and expense of and incidental to such sale or transfer, shall be applied in or towards payment or satisfaction of the amount(s) due to the Bank in respect of any payment made by the Bank under the LC Facilities for the account of the Borrower, and interest thereon and all costs charges and expenses as hereinabove mentioned. The Borrower shall accept the Bank’s account of sale or realisation as conclusive evidence both in and out of court as to the amount(s) realised and expenses incurred, and shall pay forthwith any shortfall or deficiency remaining after such application. The Bank shall not be liable to the Borrower for any loss which may occur pending sale or disposal of the Goods and / or document of title of Goods, whether by reason of theft, damage, deterioration or decay of the Goods or depreciation in the value thereof or otherwise whatsoever be the cause.

(ii) The Borrower agrees and undertakes to sign, execute and deliver to the Bank from time to time on demand made by the Bank, such further or other deeds, documents and writings and do all such acts, matters and things as may be required by the Bank for better perfecting the title of the Bank to the Goods so as to render the same readily saleable or transferable by the Bank to any purchaser(s) at all time.

7. DEFINITIONS

(i) In this Part, unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings viz.:

“Amounts Devolved” means the sum of the payments due from the Borrower under all the LCs for which the Documents have been presented to and paid by the Bank but reimbursement thereof has not yet been made by the Borrower to the Bank.

“Applicable Rate of Exchange” means

(a) in case a forward exchange contract / swap has not been booked by the Borrower with the Bank, the applicable foreign currency bill selling rate of the Bank prevailing on the Date of Crystallization. Provided however, that if the relevant rate of exchange is not quoted or not available for any reason on such days, then the rate prevailing on the immediately next Business Day when such rate shall be quoted or be available shall be the Applicable Rate of Exchange;

(b) the forward exchange contract / swap rate in case a forward exchange contract / swap has been booked by the Borrower with the Bank.

“Bills” means, as the context may permit or require, any or each of the bills of exchange drawn under the LCs.

“Date of Crystallisation” means the 10th day after the date of receipt of Documents by the Bank under the LCs in the case of a Sight LCs, or the date of maturity in the case of a Usance LC or as per applicable rules from time to time.

“Documents” means the documents as specified under the LCs (including all bills) and drawn up in accordance with the terms of the LCs opened under the LC Facilities and / or the documents as specified under / or in connection with co-accepted bills.

“Documentary Credit Application” means, as the context may permit or require, any or each of the Borrower’s application(s) to the Bank for opening LCs and all supporting documents furnished by the Borrower in respect thereof to the Bank.

“Goods” means the relevant goods described in the Documentary Credit Application.

“LC Outstanding” means the sum of the value of all the LCs opened by the Bank on behalf of the Borrower for which the Documents have not been presented to the Bank as well as the LCs where documents are received but are not due for payment / outstanding for payment.

“Letters of Credit” or “LCs” means, as the context may permit or require, any or each of:

1. Usance LCs and / or Sight LCs, both inland and foreign,
2. Usance LCs and / or Sight LCs, only foreign,
3. Usance LCs and / or Sight LCs, only inland,

Issued / opened by the Bank as per the Documentary Credit Application to the Bank for opening LCs and all supporting documents furnished by the Borrower in respect thereof to the Bank.

“Sight LCs” means the LCs which provides for payment by the Bank to the negotiating bank on presentation of relevant Documents drawn under the LCs.

“Suppliers” means the suppliers of Goods as per the terms of the LCs.

“Usance LCs” means the LCs which provides for payment by the Bank on maturity as per the terms of the LCs.

PART B

(BANK GUARANTEE [BG])

1. BG FACILITIES

The Bank has, at the request of the Borrower, agreed to grant to the Borrower working capital facilities by way of issue of bank guarantees / counter guarantees / (“BGs”, which expression shall, as the context may permit or require, mean any or each of such BGs and all renewals made thereto from time to time) in favour of entities / persons acceptable to the Bank guaranteeing / undertaking payment obligations in terms of various contracts / agreements entered into between the Borrower and the respective beneficiaries, upto the maximum extent of the amounts of respective Limits specified in the CAL (the “BG Facilities”). Provided, however, the total of amounts outstanding under the BG Facilities shall not at any point of time exceed the amount of the respective Limits.

The Bank shall block Limits for the BG, under the BG Facilities, for (i) a period of 1 (one) year from the date of expiry of such BG or (ii) the claim period specified in such BG, whichever is later. However, where the original BG or a valid discharge letter is received from the beneficiary, the blocked Limits shall stand released.

2. PAYMENT AND INTEREST

(i) If the Bank is called upon to pay, or pays, all or any of the monies under or in respect of the BGs, the Borrower shall, without questioning the reasonableness or validity or otherwise of any payment made or required to be made by the Bank under the BGs, forthwith pay to the Bank, all amounts payable or as the case may be, paid by the Bank, including without limitation, all costs, charges and expenses whatsoever payable or paid, suffered or incurred by the Bank in respect of or in relation to or arising out of the obligations undertaken under the BGs (collectively, the “Defaulted Amounts - BGs") and until such payment by the Borrower, the same shall unless otherwise agreed to by the Bank, be deemed to be on demand loans to the Borrower carrying interest at the rate specified in Schedule II of the Facility Agreement. The Bank shall be entitled, at its sole discretion, without any further consent from the Borrower, to debit the Account or liquidate any security held by the Bank, with the amount of any payments the Bank is required to make / makes under or in respect of the BGs, as aforesaid. For avoidance of doubt, in the event of invocation of the BGs by the beneficiaries before and/ or after the expiry date of the BGs, irrespective of the claim period mentioned in the BGs where such claim period may be beyond the expiry date of the BGs, the Borrower specifically authorizes the Bank to pay to the respective beneficiaries until the beneficiary discharges the Bank under the respective BGs by delivery of the original BG or discharge letter to the Bank in this regard. The Borrower undertakes to repay the said amounts paid by the Bank, along with interest as applicable, in the event of invocation of the BGs by the beneficiary before and/or after the expiry date of the BGs, irrespective of the claim period mentioned in the BGs and further undertakes to deliver or cause the beneficiary to deliver the original BG or the discharge letter issued by the beneficiary to the Bank.

(ii) All payments made by the Bank in foreign currencies may be, at the option of the Bank, converted into rupees with reference to the actual cost to the Bank (including all commission or other bank charges and out-of-pocket expenses) in remitting the foreign currencies.

3. ADDITIONAL PROVISIONS

The Borrower further agrees, confirms and undertakes as follows:

(i) the Bank may, in its sole and absolute discretion and without reference to the Borrower and without the Bank being required to ascertain any breach of the agreements/ contracts underlying the BGs or the validity or legality or propriety thereof or otherwise and notwithstanding any directions to the contrary given by the Borrower or any other person on the ground of a dispute as to the liability of the Borrower / the Bank or otherwise, pay or admit or compromise or submit to arbitration or dispute or resist any claim or demand made against the Bank under or in respect of such BGs. Notwithstanding the aforesaid, the Borrower shall, in accordance with the Facility Agreement, continue to be liable to indemnify the Bank, in respect of any action or payment which the Bank may take or make.

(ii) The Borrower shall (unless otherwise agreed to by the Bank):

(a) duly and punctually observe, perform and comply with all the covenants, obligations and conditions of all the agreements underlying the BGs;

(b) not amend or agree to amend or grant waiver of any of the provisions of the underlying agreements.

(iii) BGs will be issued by the Bank only as per the provisions of applicable laws and regulations including those laid down by RBI.

(iv) BGs shall be issued by the Bank only in a format acceptable to the Bank.

(v) in case of bid bond / earnest money deposits / advance payment / retention money BGs, stipulated under project exports or if the BGs are issued under any Export Promotion Capital Goods Scheme (EPCGS), the Bank shall be entitled to obtain counter guarantees from Export Credit Guarantee Corporation (“ECGC”) or similar authority, at the costs and expenses of the Borrower.

(vi) if for any reason whatsoever the liability of the Bank extends beyond the validity period specified in the BGs or the BGs remain undischarged after the expiry of the validity period or if the Bank is prevented by any action initiated by the Borrower or otherwise from making payment of part or whole of the guaranteed amounts to the beneficiary of the BGs, the Borrower shall be liable to pay commission for the period for which the Bank remains liable under the BGs and / or the period for which the payment of the guaranteed amount / discharge from the guaranteed obligations has been delayed. The Borrower’s obligations in relation to the payment of commission shall not be discharged as a result of insolvency or liquidation proceedings against the Borrower.

(vii) the Bank may, at its sole discretion, demand from the Borrower and the Borrower shall provide/deposit immediately on such demand and without demur, additional acceptable security to the Bank and/or sufficient amounts by way of 100% cash margin on the outstanding amounts of the BGs, including for BGs which in the Bank’s opinion are likely to be invoked due to non / inadequate fulfillment of obligations by the Borrower. The Borrower shall accept the Bank’s judgment on the likelihood of the guaranteed obligations being unfulfilled, as final and binding.

(viii) in the event of the interest rate on the principal amount of the financial assistances guaranteed by the Bank increasing for any reason whatsoever beyond the percentage specified in the underlying agreements / contracts and consequentially the liability and obligation of the Bank under the BGs increasing, the Borrower shall indemnify and keep indemnified the Bank to the extent of additional interest liability paid in such form as may be determined by the Bank.

(ix) where any BG issued under the BG Facilities is governed by foreign laws/ provisions of ICC Publications and/or is subject to a foreign jurisdiction, the Bank shall be free to obtain a legal opinion, for its reliance and benefit, from a reputed law firm of its choice in such foreign jurisdiction, at the cost of the Borrower.

(x) the Borrower shall provide instructions to the Bank only on Business Days and during normal business hours of the Bank. If any instruction is received by the Bank after normal business hours or on a day that is not a Business Day, it shall be considered to have been received on the immediate next Business Day.

(xi) where any BG provides for assignment by the beneficiary, the Borrower specifically authorizes the Bank to pay to the assignee in case of an assignment without verifying the validity, legality or enforceability of the assignment. In the event such assignee is subject to Sanctions, the Bank may, at its sole discretion, decide to pay or not to pay such assignee and the Borrower shall abide by the decision of the Bank in this regard.

(xii) where as per the terms of the BG, the Bank has issued/ agreed to issue a BG that may bind the Bank to renew/ issue a fresh BG, at the request of the beneficiary, without having the discretion to reject or refuse such extension, the Borrower confirms that the BG so issued is at its sole risk and responsibility. The Borrower undertakes to provide request for extension of such BGs, as may be required by the Bank.

(xiii) where as per the terms of the BG, the BG is either required to be extended or paid, then in the absence of any instructions from the Borrower regarding the extension, the Bank may decide to pay under the BG, in accordance with its terms. This is without prejudice to the right available to the Bank to refuse extension, if any, requested by the Borrower.

ANNEXURE II

Borrower Education and Information

With reference to the Facilities sanctioned to the Borrower vide the Transaction Document, the Borrower is hereby informed of the following concepts and illustrative examples related to due dates classification of the borrowal accounts as SMA/NPA in the course of the conduct of the accounts.

Dues: mean the principal / interest/ any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the Facilities.

Overdue: mean the principal / interest/ any charges levied on the loan account which are payable, but have not been paid within the period stipulated as per the terms of sanction of the Facilities. In other words, any amount due to the Bank under any credit facility is 'overdue if it is not paid on the due date fixed by the Bank.

Relevance of the principle of 'First In First Out' (“FIFO”) in appropriation of payments into the borrowal account:

The principle of FIFO accounting method is relevant for arrive at the number of days of overdue for determining the SMA / NPA status. The FIFO principle assumes that the oldest outstanding dues in the loan account needs to be cleared first. The FIFO method thus requires that what is due first must be paid by the Borrower first.

For example, if as on February 01, 2021 there are no overdues in the loan account and an amount of Rs X is due for payment towards principal instalment/interest/charges, any payment being credited on or after February 01, 2021 in the loan account will be used to pay off the dues outstanding on February 01, 2021.

Assuming that nothing is paid /or there is partial payment (Rs Y) of dues during the month of February, the overdue as on March 01, 2021 will be Rs X-Y.

Additionally, an amount of Rs Z becomes due as on March 01, 2021 Now any payment partial/ payment into the account on or after March 01, 2021 will be first utilized to pay off the partial due of February 01, 2021 ( Rs X – Rs Y). If there is more recovery than the Rs X - Rs Y then after recovering dues of February 01, 2021, the remaining amount will be treated as recovery towards due of March 01,2021.

Age of Oldest Dues: The age of oldest dues is reckoned in days from the date on which the oldest payment is due and continues to remain unpaid . In the aforesaid illustration, if the Dues relating to February 01, 2021 remain unpaid till March 01, 2021, the age of the oldest dues is reckoned as 29 days on March 02, 2021

Classification as Special Mention Account (“SMA”) and Non-Performing Asset (“NPA”)

Lending institutions will recognize the incipient stress in loan accounts, immediately on default by classifying them as SMA. The basis of classification of SMA /NPA category shall be as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Loans in the nature of Term Loans | | Loans in the nature of cash  credit/overdraft | |
| SMA Sub-categories | Basis for classification when  principal or interest  payment or any other  amount wholly or  partly overdue | SMA Sub-categories | Basis for classification when  outstanding balance  remains continuously  in excess of the sanctioned limit or drawing power  whichever is lower for a period of |
| SMA-0 | Upto 30 days |  |  |
| SMA-1 | More than 30 days and upto 60 days | SMA-1 | More than 30 days and upto 60 days |
| SMA-2 | More than 60 days and upto 90 days | SMA-2 | More than 60 days and upto 90 days |

Non-performing Asset: Non-Performing Asset is a loan or an advance where:

1. interest and/ or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,
2. the account remains ‘out of order' (as indicated below), in respect of an Overdraft/Cash Credit (“OD/CC”),
3. the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted

Out of Order Status: An account shall be treated as 'Out of order' if:

1. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or
2. the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

Illustrative movement of an account from SMA category to NPA category based on delay/non-payment of dues and subsequent upgradation to standard category at day end process:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Due date of  payment | Payment date | Payment covers | Age of oldest dues, in days | SMA/NPA categorization | SMA since date/SMA class date | NPA categorization | NPA date |
| 01.01.2022 | 01.01.2022 | Entire dues upto [01.01.2022](tel:01012022) | 0 | Nil | NA | NA | NA |
| 01.02.2022 | 01.02.2022 | Partly paid dues of [01.02.2022](tel:01022022) | 1 | SMA 0 | 01.02.2022 | NA | NA |
| 01.02.2022 | 01.02.2022 | Partly paid dues of [01.02.2022](tel:01022022) | 2 | SMA 0 | 01.02.2022 | NA | NA |
| 01.03.2022 |  | Dues of [01.02.2022](tel:01022022) not fully paid [01.03.2022](tel:01032022) is also due at EOD [01.03.2022](tel:01032022) | 29 | SMA 0 | 01.02.2022 | NA | NA |
|  |  | Dues of [01.02.2022](tel:01022022) fully paid , Due for [01.03.2022](tel:01032022) not paid at EOD [01.03.2022](tel:01032022) | 1 | SMA 0 | 01.03.2022 | NA | NA |
|  |  | No payment of full dues of [01.02.2022](tel:01022022) and [01.03.2022](tel:01032022) at EOD [03.03.2022](tel:03032022) | 31 | SMA 1 | 01.02.2022/ 01.03.2022 | NA | NA |
|  |  | Dues of [01.02.2022](tel:01022022) fully paid , Due for [01.03.2022](tel:01032022) not fully paid at EOD [1.03.2022](tel:1032022) | 1 | SMA 0 | 01.03.2022 | NA | NA |
| 01.04.2022 |  | No payment of dues of [01.02.2022](tel:01022022) [01.03.2022](tel:01032022) and amount due on [01.4.2022](tel:0142022) at EOD [01.04.2022](tel:01042022) | 60 | SMA 1 | 01.02.2022/ 01.03.2022 | NA | NA |
|  |  | No payment of dues of [01.02.2022](tel:01022022) till [01.04.2022](tel:01032022) at EOD [01.04.2022](tel:01042022) | 61 | SMA 2 | 01.02.2022/ 01.04.2022 | NA | NA |
| 01.05.2022 |  | No payment of dues of [01.02.2022](tel:01022022) till [01.05.22](tel:010522) at EOD | 90 | SMA 2 | 01.02.2022/ 01.04.2022 | NA | NA |
|  |  | No payment of dues of [01.02.2022](tel:01022022) till [01.05.22](tel:010522) at EOD | 91 | NPA | NA | NPA | 02.05.2022 |
| 01.06.2022 | 01.06.2022 | Fully Paid dues of [01.02.2022](tel:01022022) at EOD [01.06.2022](tel:01062022) | 93 | NPA | NA | NPA | 02.05.2022 |
| 01.07.2022 | 01.07.2022 | Paid entire dues of [01.03.2022](tel:01032022) & [01.04.2022](tel:01042022) at EOD [01.07.2022](tel:01072022) | 62 | NPA | NA | NPA | 02.05.2022 |
| 01.08.2022 | 01.08.2022 | Paid entire dues of [01.05.2022](tel:01052022) & [01.06.2022](tel:01062022) at EOD [01.08.2022](tel:01082022) | 32 | NPA | NA | NPA | 02.05.2022 |
| 01.09.2022 | 01.09.2022 | Paid entire dues of 01.07.2022 & 01.08.2022 at EOD [01.09.2022](tel:01092022) | 1 | NPA | NA | NPA | 02.05.2022 |
| 01.10.2022 | 01.10.2022 | Paid entire dues of [01.09.2022](tel:01092022) & [01.10.2022](tel:01102022) | 0 | Standard account with no Overdue | NA | NPA | STD from 01.10.2022 |

Please note that the aforesaid few examples are illustrative and not exhaustive in nature, covering common scenarios.