

**"This Stamp Paper is part of Agreement for Term Loan of ₹ 5000 Crore
executed on _____ Day of _____ 2024 between NTPC Ltd and
XXXX Bank "**

AGREEMENT FOR TERM LOAN of ₹ 5000 Crore

This loan agreement is made at New Delhi on _____ **Day of _____ 2024** between **NTPC Limited**, a Company registered under the Companies Act, 1956 and having its registered office at NTPC Bhavan, Scope Complex, 7 Institutional Area, Lodi Road, New Delhi-110 003 through its authorised signatory as per the board resolution dated 19th June 2021 (here in after called the "Borrower" which expression shall, unless the context require otherwise include its successors and assigns) of the first part,

And

XXXX Bank, a Banking Company registered under Companies Act, 1956 and having Head Office at and among other places a branch office at(hereinafter called "The Bank", which expression shall, unless repugnant to the subject or context thereof, include its successors and assigns) of the second part.

Whereas, at the request of the Borrower, the Bank has agreed to make available a rupee term loan facility of Rs.....crore(Rupees.....crore only) towards capital expenditure for ongoing/new capacity addition program including takeover of projects, renewable energy projects, coal mining business, renovation & modernization program of various projects, refinancing of loans and general corporate purposes etc. upon mutually agreed terms and conditions given below.

Now this agreement witnesses and it is hereby agreed by and between the parties as follows:-

1. Definitions:

In this agreement, unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings, namely:

- a) 'The Loan' means the rupee term loan agreed to be provided by the Bank to the Borrower towards capital expenditure for ongoing/new capacity addition program including takeover of projects, renewable energy projects, coal mining & washeries, renovation & modernization program of various projects, refinancing of loans and general corporate purposes etc., or the aggregate principal amount for the time being outstanding under this agreement.
- b) 'Loan Agreement' means, this agreement including amendments to this Agreement.

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- c) 'Due Date' means, in respect of:
 - i) an instalment of principal, the date on which the repayment of instalment falls due as stipulated in **Clause 6 hereof**.
 - ii) interest, the date on which the payment of interest falls due as stipulated in **Clause 4 & 5** hereof.
 - iii) any other amount payable under this Agreement, the date on which such amount falls due for payment in terms of this Agreement.
- d) 'Business Day' means the day on which the Bank branchof the Bank as described in this Agreement or such other office as may be notified by the Bank to the Borrower, is open for business.
- e) "Financial Year" means in relation to the Borrower, the period starting from 1st April and ending on 31st March of the next calendar year.
- f) 'Financial Period' means in relation to the Borrower, the period in which any Profit and Loss Account and Balance Sheet of the Borrower is prepared and approved by the shareholder in an Annual General Meeting, whether that period is a year or not.
- g) 'EBITDA' means, in relation to any Financial Year of the Borrower the amount (expressed in Rupees) calculated in accordance with Generally Accepted Accounting Principles in India, of the operating profit on ordinary activities of the Borrower but before or adding back as the case may be, extraordinary or exceptional gains/losses, foreign exchange gains/losses, interest, taxes (including any taxes the payment of which is deferred), depreciation and amortisation of the Borrower for that period.
- h) 'Interest Expenses' means, at any time, an amount equal to the aggregate of all interest, fees, costs, expenses and charges and other payments of a similar nature as shown in the relevant financial accounts of the Borrower accrued or due from the Borrower in respect of its Total Borrowings (but without deducting the aggregate credit balances) during the relevant Financial period and charged to the revenue of the relevant Financial period.
- i) "Material Adverse Effect" means the effect or consequence of any event or circumstance which is or is likely to affect the ability of the Borrower to perform or comply with any of its obligations under the Loan Agreement.
- j) "Moratorium Period " shall be a period of Six years commencing from the date of 1st disbursement of the Loan .
- k) "Disbursement Period " shall be a period of Two years commencing from the date of 1stdisbursement of the Loan.

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- l) "Net Worth" means, the aggregate of :
- i. the amount of the share capital of the Borrower for the time being issued and paid up or credited as paid up; and
 - ii. the amounts standing to the credit of the consolidated capital and revenue reserve accounts (including, without limitation, the revaluation reserve account) of the Borrower
- m) 'Total Liabilities' means the aggregate of all indebtedness, obligations and liabilities of the Borrower.

2. Amount of the loan:

The Borrower agrees to borrow from the Bank and the Bank agrees to lend to the Borrower, on the terms and conditions contained herein and Bank's sanction letter No.XXXXXXXX, the Loan of ₹ xxxx crore (Rupees xxxxxxxxx only).

3. Purpose of the loan:

The Borrower agrees that the proceeds of the Loan shall be utilised towards capital expenditure for ongoing/new capacity addition program including takeover of projects, renewable energy projects, coal mining business, renovation & modernization program of various projects, refinancing of loans and general corporate purposes etc.

4. Interest:

A. Rate of Interest:-

The Loan shall carry interest at the rate of (presently xxxx p.a) at monthly rests . The interest rate prevailing on the date of first availment/ first release will be applicable till next reset date, irrespective of change in the benchmark during the interim.

B. Resetting of Interest Rate:-

The Interest Rate mentioned in **Para 4A** above shall be reset at the end of ... month(s), reckoned from the date of first disbursement. At any time of reset, the interest rate prevailing on the date of reset will be applicable, however spread if any will remain constant. Further, the existing interest rate will prevail on any disbursement made out of the sanctioned term loan facility till next reset date.

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5. Computation and payment of interest:

- i) The Borrower shall pay interest monthly irrespective of dates of payments of instalments of the Loan being fixed, calculated on the amount of the Loan outstanding from time to time at the rate mentioned in **Para 4** above.
- ii) All interest payable pursuant to this agreement shall accrue from day to day and shall be calculated on the basis of a year of 365 days.
- iii) The Borrower shall pay to the Bank, interest on the principal amount of the loan outstanding from time to time on monthly basis on the First day of the next month on immediately available funds during normal banking hours. The first of such interest amount shall be payable for the broken period from the date of first disbursement to the end of month as mentioned above. The interest for the last broken period shall be payable together with the repayment of the last instalment of the said loan.
- iv) The statement of the Bank as to the amount of interest payable pursuant to this paragraph shall, in the absence of manifest error, be conclusive and such statement shall be sent to the borrower 15 days in advance of the due date of payment.

6. Repayment:

The Loan shall be repaid in XX (XXXX) equal annual instalments. The first instalment will become due 12 (twelve) months after the end of the moratorium period of 6 years from the date of first disbursement. Total door to door tenor shall be XX years. Interest to be serviced separately on a monthly basis including the moratorium period.

7. Payment by borrower:

The Borrower agrees, declares, affirms and confirms that notwithstanding any of the provisions of the Contract Act or any other law or any terms and conditions to the contrary contained in this Agreement, any payment made by the Borrower to the Bank unless otherwise agreed to by the Bank in writing, be appropriated by the Bank in the manner following:-

- i) Firstly towards costs, charges, expenses and other moneys due and payable or becoming due and payable to the Bank;
- ii) Secondly towards interest due and payable and / or accruing due and payable to the Bank; and

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- iii) Lastly towards repayment of the amount of any instalment (s) of the principal sum due and payable or becoming due and payable to the Bank.

All the aforesaid amounts having become due and payable and / or becoming due and payable by the Borrower to the Bank under this Agreement shall be promptly paid by the Borrower to the Bank as per terms of this Agreement.

8. Drawdown schedule of the loan:

8.1 The Loan shall be drawn as per the mutually agreed draw down schedule to be decided by the Borrower in consultation with the Bank

8.2 All Loan disbursements to be made by Bank to the Borrower under or in accordance with the terms of this Agreement shall be made through Real Time Gross Settlement (RTGS) or any other mode of e-payment or through cheque(s) duly crossed and marked "A/c Payee Only" or may be directly credited to the Borrower Bank Account as per the instructions of the Borrower, so that the amount is available with the Borrower on the same day. The collection charges, if any, in respect of all such cheques/transactions will have to be borne by the Borrower.

9. Time, place & mode of payment by borrower:

Repayment of principal or payment of interest or any other amount due including charges and payable by the Borrower to the Bank under this Agreement shall be paid on due dates by way of Real Time Gross Settlement (RTGS) / Electronic Fund Transfer (EFT) or any other mode of e-payment or through cheque drawn in favour of XXXX Bank . In case the due date of payment in respect of any **repayment instalment of principal or payment of interest** is not a Business Day, the relevant date shall be the preceding business day and the due date shall be construed accordingly.

10. Default in repayment / payment of interest :

In the event of default in any payment of interest or repayment of principal amount or any other monies due on the respective due date, the borrower shall forthwith on demand by the Bank pay interest on the overdue amount from the due date to the date of actual payment at the default rate which is 1% (one percent) p.a. above the interest rate specified in **Para 4** above.

11. Commitment Charges

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No commitment charges shall be payable in the event of non-drawl of the loan as per the draw down schedule agreed to above in **Para-8** above.

12. Stamp & other duties:

The Borrower shall pay all stamp and other duties to which this Agreement may be subject to.

13. Prepayment& Foreclosure:

- (i) The Borrower may prepay, the outstanding principal sum of the loan in full or in part, together with interest on that amount provided that the Bank shall have received from the borrower not less than 30 days prior written notice specifying the amount to be prepaid and the date of prepayment. The prepayment shall be without any prepayment charges.
- (ii) The Borrower may foreclose the loan agreement any day before the disbursement of full loan amount, provided that the Bank has received from the borrower not less than 30 days prior written notice specifying the date of foreclosure without any foreclosure charge.

14. Insurance:

The Borrower shall ensure adequate and reasonable risk cover at all times to cover its fixed assets and shall submit yearly certificate that adequate insurance cover is available for Borrower's fixed assets.

15. Negative lien:

Except the charges and encumbrances already created on the fixed assets by the Borrower for availing financial assistance, as disclosed in writing as of date by the Borrower, the Borrower shall not without prior written consent of the Bank:-

- a) create or permit to arise or subsist any mortgage, charge, pledge, lien encumbrance or security interest whatsoever over all or any of its undertaking, assets present or future (including un-called capital) of the Borrower as security for any obligations now or hereafter existing in favour of any person, however, subject to following exceptions:-
 - i) The Borrower may create security interests on its assets to secure the issue of its secured long term bonds with a maturity in excess of one year.

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- ii) The Borrower may create security interest on its assets to secure any rupee loan, the repayment of which is due within 12 months or less from the date of the said loan including working capital financing and
 - iii) The Borrower may create security interest on its assets to secure any foreign currency borrowings from multilateral and bilateral agencies like IBRD, JBIC, KFW etc.
- b) Sell, transfer or otherwise dispose of, by one or more transactions or series of transactions (whether related or not) the whole or any substantial part of its fixed assets, the book value of which is 25% or more of the book value as shown in the latest audited financial statements of the Borrower.

16. Financial covenants:

The Borrower shall ensure that its financial condition, as evidenced by the Borrower's most recent audited annual financial accounts, shall be such that:-

- i) The ratio of total liabilities to net worth will not at any time exceed 3:1; and
- ii) the ratio of EBITDA to Interest Expenses shall not at any time be less than 1.75 : 1; and

In the event of any of the above conditions not being fulfilled, the Bank will be at liberty to discontinue the Loan disbursement and to recall the loan and this will be treated as an event of default under Clause 20 herein below.

The Borrower shall provide such data and such documents as may be required by the Bank from time to time to verify the observance of financial covenants by the Borrower.

17. Security interests:

Except those declared in writing as of date no security interests exists over all or any part of the Borrowers' present or future revenue or assets and neither the execution of any financial document and the exercise by the Borrower of its rights and performance of its obligations under any financial document will result in existence of or oblige the Borrower to create any security interests over all or on any of its future revenue or assets.

The Borrower shall ensure that its obligations under this Loan Agreement do and will always rank at least pari passu with all its other present and future unsecured obligations, except for obligations mandatorily preferred by law in India applying to companies generally.

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18. Representation and warranties:

- i) The Borrower has the corporate power to enter into, exercise its rights and perform and comply with its obligations under this Agreement.
- ii) The execution of this Agreement on its behalf and the performance of its obligations under this Agreement have been duly authorised by all necessary corporate action and the obligations expressed as being assumed by it under this Agreement constitute its valid, legal and binding obligations enforceable against it in accordance with its terms.
- iii) Neither its execution and delivery of this Agreement nor its exercise of any of its rights under this Agreement nor its performance or observance of any of its obligations under this Agreement shall -
 - a) conflict with, or result in any breach of any law, statute, regulation, indenture, mortgage, trust deed, agreement or other instrument, arrangement, obligation or duty by which it is bound, or
 - b) cause any limitation on any of its powers whatsoever and howsoever imposed, or on the right or ability of its directors to exercise such powers.
- iv) No litigation or arbitration proceedings before any court, tribunal, arbitrator, administrative or governmental authority or dispute with any governmental authority, are presently in process, pending or to the best of its knowledge, information and belief threatened against it which might have an adverse effect on its ability to duly perform and observe any of its obligations under this Agreement.

The representations and warranties contained in this clause shall be deemed to be repeated by the Borrower on each date of drawl.

19. Undertakings:

- i) The Borrower will give the Bank notice in writing immediately upon becoming aware of the occurrence of any event of default or other event which, with the giving of notice, and/or lapse of time and/or upon the Bank making the relevant determination, would constitute an event of default.
- ii) The Borrower shall furnish to the Bank at its request and in such form as may be required reports as to the progress made from time to time in respect of its projects and thereafter any such additional information and explanation as may be deemed necessary.
- iii) Within 270 days after the end of each Financial Year the Borrower will provide the Bank with a copy of the annual audited profit & loss account

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and balance sheet and annual report of the Borrower, prepared in accordance with generally accepted accounting principles in India.

- iv) The Borrower shall satisfy the Bank that the Loan sought is within the powers of the Borrower.
- v) The Borrower will provide the Bank promptly with such other financial information relating to the Borrower as the Bank may from time to time reasonably require.
- vi) In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date/s by the borrower, the Bank and / or the RBI will have an unqualified right to disclose or publish the borrower's name or the name of the borrower's company / unit and its directors/ partners / proprietors as defaulter in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.
- vii) The Bank will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time.
- viii) Company undertakes that conduct of account with all other Banks is satisfactory and asset classification is standard.
- ix) Company undertakes to submit end use certificate from the competent authority of the company, at the end of each financial year.

20. Event(s) of Default:

- i) **Each of the events, listed in this clause is an Event of Default, irrespective** of whether it occurs as a result of any action taken or not taken by any person including the Borrower.
 - a) **Failure to Pay:** The Borrower fails to pay any sum including interest, cost and expenses due from it hereunder at the time, and in the manner specified herein this agreement above unless:
 - Its failure to pay is caused by administrative or technical reason such as due to electronic clearing failure, strikes etc.
 - b) **Unable to Pay Debts:** The Borrower is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors.

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- c) **Corporate Action:** The Borrower takes any corporate action or other steps are taken for its winding-up, dissolution, administration or reorganisation (other than in connection with a solvent winding-up or reorganisation), or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its revenues and assets or legal proceedings including proceedings for winding-up etc., are commenced against the Borrower which may prejudicially affect the rights of the Bank (which proceedings are not frivolous or vexatious and, if contested in good faith, are not dismissed, withdrawn or permanently discontinued within 60 days of being brought).
 - d) **Change of Business:** The Borrower ceases or threatens to cease its operations or in the opinion of the Bank there is a Material Adverse Effect in the business of the Borrower from that carried on at the date hereof, or in the financial condition.
 - e) **Failure or Repudiation:** The Borrower fails to perform and observe any of its obligations under this Agreement or the Borrower repudiates this Agreement or any term thereof.
 - f) **Unlawfulness:** It becomes unlawful for the Bank to make maintain or fund the Loan as contemplated in this Agreement or at any time it is or becomes unlawful for the Borrower to perform or comply with any or all of its obligations hereunder or any of the obligations expressed as being assumed by the Borrower under this Agreement ceases to be valid, legal and binding and enforceable against the Borrower in accordance with its terms.
 - g) **Ranking:** At any time the claims of the Bank against the Borrower under this Agreement do not rank at least pari passu with all its other present and future except for obligations mandatorily preferred by law in India applying to companies generally.
 - h) **Incorrect Representation:** Any representation or warranty made by the Borrower pursuant to this Agreement or in any statement delivered or made pursuant to it is knowingly incorrect when made.
- ii) No further Drawing may be made after the occurrence of an Event of Default and the Bank shall be entitled at any time after the occurrence of an Event of Default by notice in writing to the Borrower to declare that the loan and all interest and all other sums payable pursuant to this Agreement have become immediately due and payable and the Borrower shall immediately pay the same to the Bank.

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- iii) In the event that the Loan shall be declared immediately due and payable as stated above the Borrower will reimburse the Bank for all losses and expenses incurred by the Bank in consequence of the Event of Default and/or of the acceleration of the Loan, including those incurred in liquidating or employing deposits from third parties acquired to effect or maintain the Loan or any part of it. The certificate of the Bank as to the amount of such losses and expenses, shall in the absence of manifest error, be conclusive.

21. Jurisdiction and governing law

- a) The Bank and the Borrower agree that any legal action and proceeding arising out of this Agreement shall be brought to the competent court of judicature / tribunal at New Delhi in India
- b) The Agreement shall be governed by and construed in accordance with the laws of India.

22. Waiver: remedies cumulative:

No failure or delay by the Bank in exercising any right, power or privilege under this Agreement shall impair the same or operate as a waiver of the same nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

In witness whereof the parties hereto have executed these presents the day, month and year first herein above written.

For and on behalf of

For and on behalf of

NTPC Limited
(Authorised Signatory)

(Authorised Signatory)

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