

Annexure-I

POWERGRID Invitation of offers for raising of foreign currency term loan in JPY currency with Average Maturity of more than 10 years for an aggregate amount JPY 22 Billion with a green shoe option to retain oversubscription upto JPY33 Billion

Syndication Issue

Syndication assistance	<p>The Company shall co-operate and assist in syndication of the loan including :</p> <ul style="list-style-type: none">• Preparing an information memorandum;• Making such senior management and other representatives of the Borrower available for a presentation to and/or to participate in meetings with potential Lenders as the lead arranger may reasonably request;• Using best efforts to ensure that syndication efforts benefit from the Borrower's existing lending relationships;• Providing the lead arranger with all information reasonably requested by it to complete syndication successfully within a reasonable timeframe;• Complying with all reasonable requests for information from potential Lenders; through the lead arranger;• Holding of Roadshow(s)/one on one meeting with potential lenders and senior officials of POWERGRID may be required at 2 or 3 locations. The decision on holding these roadshows will be made in consultation with POWERGRID's management.
Clear Market of Condition	<p>To ensure an orderly and successful syndication, from the date the Mandate Letter till the syndication for the proposed loan, the Borrower shall not raise without the prior written consent of the Lead Arrangers, or mandate any person to raise, or attempt to raise any other foreign currency indebtedness in the international markets excluding foreign currency indebtedness (i) provided or guaranteed by any bilateral or multilateral agency/Govt. export credit agency or (ii) raised through offering of bonds in the international markets.</p>
Adverse change	<p>The underwriting commitment is subject to there being (a) no material adverse change (or event which is likely to result in a material adverse change) in the business or financial condition of the Borrower or (b) no material adverse change in the political and economic conditions of the Republic of India or (c) no circumstance, change or condition (or continuation of any condition) in the international or domestic syndicated debt or capital markets which in the lead Arrangers' opinion may prejudice a successful syndication.</p>

<p>Termination</p>	<p>The Lead Arrangers and the Underwriters may terminate their respective arranging and underwriting commitments if:</p> <ul style="list-style-type: none"> a) A Facility Agreement/Syndication Agreement acceptable to the Lead Arrangers is not signed on or before 31st December, 2018 or such later date as shall be agreed between the Lead Arrangers and the Borrowers. b) The borrower breaches any term of the offer letter or the Term Sheet; or c) Any information provided by the Borrower to the Lead Arrangers is untrue, inaccurate, incomplete or misleading in any material respect; or d) The borrower fails to disclose material facts or information to the Lead Arrangers or the Underwriters which might be relevant to their decision to arrange or underwrite the Facility; or e) Any event referred to in “Material Adverse Change” above occurs. <p>The Borrowers obligation under “Confidentiality” and also reimbursement of expenses (incurred by the Lead Arrangers and Underwriters in connection with arranging the Facility) will survive the “Termination” of the obligations of Lead Arrangers and the Underwriters set out in the Offer Letter.</p>
<p>Confidentiality</p>	<p>The Term Sheet and its contents are intended for the exclusive use of the Company and shall not be disclosed by the Company to any person other than the Company’s legal and financial advisors for the purposes of the proposed transaction unless the prior written consent of Lead Arranger is obtained.</p> <p>Any non-public information about POWERGRID required by the banks can be provided only after execution of a confidentiality undertaking as provided in Annexure-III.</p>

Financial Terms and Conditions- Offer for 12 years term loan in JPY currency for an aggregate amount of JPY22 Billion with a green shoe option to retain oversubscription up to JPY 33 Billion to POWERGRID (“Company”)

1. Details of Bank (s) and Branch (es) underwriting the proposed facility

- Name (s)
- Address (es)

2. Permanent Account Number (PAN) in India:

3. Details of the contact person:

Name:
Telephone:
Fax No:
Email id:

4. Details of underwriting Commitment

Bank (s)	Amount	
	In Figures	In Words
Total		

5. Margin, Fees and Expenses:

Particulars	Basis Points	Amount in JPY
Margin over 6 months JPY LIBOR (in basis points (bps))		Not applicable
Fees:		
• Upfront/Arrangement/Management Fee (in bps flat)		
• Facility Agent Fee (in JPY per annum)	Not applicable	
• Other fees, if any (specify nature & amount under suitable heads)		
Out of pocket expenses:		
• Road Show Expenses, if any (in JPY)	Not applicable	
• Legal Expenses, if any (in JPY)	Not applicable	
• Other Expenses, if any (specify nature & amount under suitable heads)		

We confirm that the PAN Number as per the Income Tax Act, 1961 (the 'Act') of the lead Arrangers, all participating banks and Facility Agent, if any, and other documents as may be required shall be provided to the Company for deduction of tax at source at the lower rate as per the Act. Changes to the draft Facility Agreement proposed by us are to be email separately at Sandeep@powergridindia.com, Pgrmc@powergridindia.com bearing the Bank's name. We undertake that our offer shall remain valid for a period of 30 days from the last date of submission of offer.

Place:
Date:

Signature(s) and name(s)
of Authorised Signatory (ies)

Instructions:

The Company intended to avail the benefits of reduced withholding tax @ 5% under Section 194LC of the Income Tax Act 1961. Accordingly, the Permanent Account Number (PAN) and other documents as may be required shall be mandatorily provided to the Company to enable it to avail the benefits of the reduced withholding tax rate under the Income Tax Act, 1961.

Out of Pocket expense shall be reimbursed at actual subject to a maximum of the amounts given above.

Please do not leave blank against any head of item. Indicate 'nil' in case of no fee/expense is payable by the Company for any item.

Form of Confidentiality Undertaking

Power Grid Corporation of India Limited
 Saudamini, Plot No.2,
 Sector 29, Near IFFCO Chowk,
 Gurgaon (Haryana) – 122001
 EPABX : 0124-2822000, 2823000

Attention: []

In connection with the invitation for arranging a syndicated/bilateral loan facility of 12 years term loan in JPY currency for an aggregate amount of JPY 22 Billion with a green shoe option to retain oversubscription up to JPY 33 Billion ("Transaction") vide POWERGRID ("the Company") letter dt.29th August, 2018, 2018 to the [..... Bank] ([BANK]), the **Company** is willing to make available to [BANK] certain confidential information subject to the provisions of this confidentiality undertaking ("**Undertaking**"). Accordingly, [BANK] hereby undertakes and agrees as follows:

- (i) The expression "**Confidential Information**" shall mean and include all facts, knowledge and information of any whatsoever, irrespective of the format in which it is given and whether in writing or oral and on any medium whatsoever, which is furnished to [BANK] or its Representatives in connection with the Transaction on a confidential basis, in whatsoever manner pertaining to the Company, its affiliates, associated or subsidiaries or any information pertaining to or in relation to the Transaction (which includes without limitation, information provided by or on behalf of the supplier(s)), other related information, specifications, data, know-how, intellectual property, photographs, electro-magnetic, drawings, memoranda, feasibility studies, project reports, commercial and such other agreements, notes and all interpretation of such data and other information pertaining to the Transaction;

Explanation: The term "**Representative**" shall mean the respective directors, officers, employees, professional advisors of [BANK], or of affiliates of [BANK], or of the Company, its affiliates, associates or subsidiaries, as the case may be; *provide* that, for the purpose of this Undertaking, each such person will be deemed a Representative of [BANK] only if, and to the extent that, such person is furnished with any Confidential Information hereunder.

Provided that, the term "**Confidential Information**" shall not include information which: (a) is now or hereafter comes into the public domain other than as a result of breach of this Undertaking by [BANK] or any of its Representatives; (b) is lawfully in [BANK]'s or any of its Representatives' possession prior to the receipt of any information from the Company or any of its Representatives in connection with the Transaction and which to the knowledge of [BANK] and its Representatives is not subject to any confidentiality obligations to the Company in respect of such information; (c) is disclosed to [BANK] or any of its Representatives on a non-confidential basis by a third party that, to the knowledge of [BANK] and its Representatives, is not and was not bound by any legal, contractual or fiduciary confidentiality obligation to the Company in respect of such information; (d) is independently developed by [BANK] or any of its Representatives without any breach of this Undertaking and without reference to any Confidential Information disclosed hereunder; or (e) is the subject of a written permission to disclose provided by the Company.

- (ii) [BANK] and its Representatives may use Confidential Information only for the purposes of, and in connection with the Transaction and not for any other purpose. [BANK] shall keep strictly confidential all Confidential Information, and unless expressly permitted by the provisions of this Undertaking, [BANK] shall not disclose any Confidential Information to any third party and/or use the Confidential Information for its personal gain or benefit of any third party, Neither [BANK] nor its Representatives shall disclose to any third party

the existence, nature or terms of the Transaction (or the status thereof), without the prior written consent of the Company Provided however that [BANK] may disclose the Confidential Information:

- to such Representative(s) of [BANK] who need to receive such Confidential Information in connection with the Transaction; provided that [BANK] shall ensure that each of such Representatives is made aware of the confidential nature of the Confidential Information and comply with the obligations on this Undertaking; and
- as may be required by any law or regulation or legal or judicial process or the rules of any stock exchange, or by any governmental, supervisory or regulatory authority, provided, so long as it is lawful to do so, [BANK] shall first give notice to the Company in order to allow the Company to obtain a protective order and shall reasonably cooperate with the Company in connection therewith.

- (iii) At any time upon the written request of the company, [Bank] shall promptly return, and shall use its reasonable efforts to cause each of its Representatives to return, or at [bank]'s option, destroy, and shall use its reasonable efforts to cause each of its representative to destroy, all confidential Information that was furnished to [Bank] by the company in any medium whatsoever, together with all copies made thereof. [Bank] further agrees to provide the company, within 15 (fifteen) days' period from the date of receipt of the aforesaid request, with a certificate signed by its duly authorized signatory, confirming compliance with this paragraph.

Notwithstanding the foregoing, [bank] may retain 1 (one) copy of confidential Information or a portion thereof solely for the purpose of defense of its rights and obligation under this undertaking, to the extent that [Bank] is required to retain such confidential Information under any applicable laws, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body.

Provided that, if [Bank] or and/or any of [Bank]'s Representative have retained a copy of the confidential Information or a portion thereof as set out above, [Bank] and its Representatives shall comply with all the confidential obligations as set out in this undertaking.

- (iv) [Bank] hereby acknowledge and agree that in the event of any breach of this undertaking by the other party, the Company may suffer an irreparable injury, such that no remedy at law will afford it adequate protection against, or appropriate compensation for, such injury. Accordingly, [Bank] hereby agree that without prejudice to any other rights or remedies which the company may have, the company shall be entitled to seek specific performance of the obligations under this undertaking and injunctive relief and such further remedies as may be granted by court of competent jurisdiction for any threatened or actual breach of this undertaking.

This Undertaking and all rights and obligation hereunder shall expire and cease to have any force or effect on the earlier of (i) the date of consumption of the Transaction or (ii) the second anniversary of the date hereof, unless mutually agreed to be extended in writing by the parties.

- (v) This Undertaking and the rights and duties of the parties hereunder shall be governed by, and construed in accordance with, the laws of England, and the parties shall submit to the exclusive jurisdiction of the courts in England.

- (vi) A person who is not a party to this Undertaking shall have no right under the Contracts (Rights of Third Parties) Act, 1999 to enforce or enjoy the benefit of any term of this Undertaking.

For and on behalf of [Bank]