

FACILITY AGREEMENT

BETWEEN

HINDUSTAN PETROLEUM CORPORATION LIMITED
As Company

AND

[•]
As Investors



PHOENIX LEGAL

FACILITY AGREEMENT

THIS FACILITY AGREEMENT ("Agreement") is made at [●] on this ___ day of _____ 2024 ("**Execution Date**") by and between:

HINDUSTAN PETROLEUM CORPORATION LIMITED, a public limited company incorporated and registered under the Companies Act, 1956 and an existing company within Companies Act, 2013, having its corporate identification number L23201MH1952GOI008858 with its registered office at PETROLEUM HOUSE 17 Jamshedji Tata Road Churchgate, Mumbai, Maharashtra, India, 400020 and having an office at Scope Minar, North Tower, Laxmi Nagar, Vikas Marg, New Delhi 110092, India (hereinafter referred to as the "**Company**", which expression shall, unless it be repugnant to the context or meaning thereof, includes its successors and permitted assigns) of the **FIRST PART**;

AND

THE PERSONS SET FORTH IN PART A OF SCHEDULE I HERETO (from whom the Company shall avail Facility as set forth in **Schedule I** hereto), (hereinafter individually referred to as "**Investor**" and collectively referred to as "**Investors**", which expression shall, unless it be repugnant to the subject or context thereof, be deemed to mean and include all or any one or more of them as the context may require or admit, their respective successors and also any other banks or financial institutions or any other Persons to which the rights and/ or obligations of all or any one or more of the aforementioned Investors are assigned, novated and/ or transferred) of the **SECOND PART**.

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

WHEREAS

- A.** The Company is a maharatna oil marketing company in India and is inter-alia responsible for installing and maintaining the assets installed at Retail Outlets (defined below).
- B.** The Company has approached the Investors for securitisation of its cashflows from the Retail Outlets in the form of service station license fees ("**Cashflows**"), and the Investors have agreed to make available to the Company the facility of an aggregate principal amount not exceeding Rs. [●] (Rupees [●]) (the "**Facility**") for the Purpose (defined hereinafter).
- C.** Based on the representations and assurances of the Company, the Investors have agreed to provide the Facility to the Company and the Company has agreed to avail the Facility from the Investors on the terms and subject to the conditions contained in this Agreement and the other Transaction Documents.

NOW THEREFORE, in consideration of the premises and mutual agreements and covenants contained in the Agreement and other good and valuable consideration (the receipt and adequacy of which is hereby mutually acknowledged), each of the Parties hereby agree as follows-

1. DEFINITIONS AND PRINCIPLES OF INTERPRETATION

In addition to the terms defined in (i) the recitals to the Agreement; (ii) elsewhere in the Agreement, the capitalized terms shall have the meanings set forth in Schedule III hereto.

2. THE FACILITY

2.1. Facility

Subject to the terms and conditions of the Agreement and upon issuance of a duly completed Drawdown Notice in the manner set out in clause 5 of the Agreement, the Investors agrees to make available to the Company, the Facility in accordance with the terms of the Agreement.

2.2. Purpose

- (a) The Company hereby undertakes that the Facility shall be utilized, by the Company towards part funding the capex requirements including recoupment of part capex undertaken by the Company in the previous 12 (twelve) months from the date of this Agreement.
- (b) The Company agrees to furnish a certificate from its auditors regarding the utilization of funds disbursed and such certificate shall be furnished to the Investors within [sixty (60) Business Days] from the end of quarter in which the Disbursement is made.

2.3. Availability

The Facility shall be available for Disbursement on the Drawdown Date set out in a Drawdown Notice, provided that Disbursement of the Facility will not occur after 3 (three) months from the Execution Date.

3. Security

3.1. The Secured Obligations shall be secured by the below mentioned security created/to be created in favour of the Investors:

- (a) a first charge by way of hypothecation over the Escrow Account of the Company and the monies lying therein, established/to be established in accordance with the Escrow Account Agreement ("**Security**").

3.2. The Security stipulated in Article 3.1 shall be created and perfected on or before the initial Drawdown Date.

3.3. The Company shall forthwith, and in no event later than 30 (thirty) days from the date of execution of the relevant Security Documents or shorter period, if any, provided under the Applicable Laws, file particulars of the charges created under the Security Document with the relevant Registrar of Companies by filling Form CHG-1 and paying such fees as may be prescribed.

3.4. The Company shall promptly provide evidence of perfection of charge over the Security, including certified true copies of CHG 1, along with annexures, challan, charge certificate, etc. in favour of the [Investors or its agent/trustee/representative/lead Investor] and all details in relation to registration of the charge in favour of the [Investors or its agent/trustee/representative/lead Investor].

3.5. The Company shall take all necessary actions and provide necessary assistance to the [Investors or its agent/trustee/representative/lead Investor] for filing/registration of the Security Document.

4. CONDITIONS PRECEDENT

4.1. Conditions Precedent to the Facility

Notwithstanding any other provision hereof, the Investors shall not be obligated to make a Disbursement of the Facility, pursuant to a Drawdown Notice, unless the Company has satisfied the Conditions Precedent as set out in Schedule IV hereto or waived by the Investors in their sole discretion and no Event of Default has occurred. The satisfaction of any Condition Precedent in this clause by the Company may be waived by the Investors, in writing, at their sole discretion, following a written request from the Company setting out (a) the Condition(s) Precedent in respect of which Company seeks a waiver, and (b) the reasons for seeking such waiver.

5. DRAWDOWN

5.1. The Facility shall be drawn by the Company in a single tranche/multiple tranches, by providing a notice in the form set out in Schedule V ("**Drawdown Notice**") after the satisfaction or waiver of all the Conditions Precedent, as the case maybe.

6. REPAYMENT OF FACILITY, INTEREST PAYMENTS

6.1. The outstanding principal of the Facility shall be repaid in 39 (thirty nine) equal monthly instalments as a part of the Monthly Payouts (defined hereinafter) payable by the Company on monthly basis. It is clarified that the first Monthly Payout shall be payable on the First Monthly Payout Date. Subsequent payments of the Monthly Payouts shall be made on Subsequent Monthly Payout Date(s).

6.2. Interest

(a) Subject to the provisions of Clause 6.3, the Interest shall be Initial Discount Rate to be paid, on monthly basis on every Interest Payment Date(s), forming part of the Monthly Payouts payable by the Company on monthly basis.

(b) The Investor shall reset the Benchmark Rate and consequently Reset Discount Rate on the relevant Reset Date.

6.3. The Company shall be liable to make Additional Payout (defined hereinafter) at such intervals, as may be required, to offset the effect of the increase in the Benchmark Rate, as per the terms of this Agreement. Provided that in case the Reset Discount Rate is lower than the Initial Discount Rate, the balance remaining in the Escrow Account out of Monthly Payout after remittance of the principal and Interest for the said month calculated on the Reset Discount Rate, shall be remitted back to the Company.

6.4. Liquidated Damages on Defaulted Amounts

- (a) In case of default in crediting/paying the Monthly Payout and Additional Payout on their respective Due Dates, except Liquidated Damages and the Default Interest (the "**Defaulted Amounts**") the Company shall pay to the Investors, liquidated damages at the rate of 1% (One Percent) per annum, plus applicable Taxes (the "**Default Interest Rate**") on the Defaulted Amounts ("**Liquidated Damages**"). The Liquidated Damages shall be payable on demand and in the absence of any such demand on the next Due Date occurring after the date of default.
- (b) Liquidated Damages shall be payable for the period commencing from the date of such default as set out in paragraph (a) above till the time such default continues and is not remedied to the satisfaction of the Investor.
- (c) The Company acknowledges that Liquidated Damages under this Agreement, are reasonable and represent a genuine pre-estimate of the loss likely to be suffered and incurred by the Investors.

6.5. Default Interest in case of Adverse Financial Covenants Deviation

- (a) The Company shall, in the event of Adverse Financial Covenants Deviation, pay to the Investors the default interest at the rate of 50 bps per annum plus applicable Taxes ("**Default Interest**"), over and above the Interest and/or the Liquidated Damages, for the period of non-compliance.
- (b) Default Interest shall be payable for the period commencing from the date of such default as set out in paragraph (a) above till the time such default continues and is not remedied to the satisfaction of the Investor. Provided that no Default Interest shall be chargeable in the event Adverse Financial Covenants Deviation is cured within 30 (thirty) days from the date of advice regarding such breach by the Investors.

6.6. If the Due Date in respect of any Monthly Payout, Additional Payout, Liquidated Damages, Default Interest and any other monies payable pursuant to this Agreement falls on a day which is not a Business Day, the immediately preceding Business Day shall be the Due Date for such payment. Provided however that the Interest on such payment shall apply till the preceding Business Day on which such payment is made.

7. PREPAYMENT

The Company shall after the expiry of 6(six) months from the first Disbursement have the option to prepay the Investors, in part or in full, the Facility together with all Interest, costs and other charges and monies due and payable to the Investors up to the date of such prepayment, without payment of any prepayment charges but with prior written notice of not less than 1(one) month to the Investors mentioning the amount and the date of proposed prepayment.

Provided if the Company prepays the whole or part of the Facility, within 6 (six) months from the first Disbursement then it shall be liable to pay prepayment premium of 1% (one percent) on the amount prepaid.

8. REPRESENTATIONS AND WARRANTIES

8.1. By executing the Agreement, the Company makes the Company's Representations and Warranties to the Investors.

8.2. The Company's Representations and Warranties are deemed to be made by the Company on and by reference to the facts and circumstances then existing.

9. COVENANTS

During the currency of the Facility, the Company agrees to abide by and ensure continued compliance with the covenants as more particularly laid down in Schedule VI of this Agreement.

10. ASSIGNMENT

The Investors reserves the right to assign their rights and obligations herein in favor of a new investor, with the prior written consent of the Company provided that such new investor was identified as an eligible investor in terms of the Bid Documents. The Company is not entitled to assign any of its respective rights or obligations under any of the Transaction Documents, without the consent of the Investors.

11. TERM AND TERMINATION

11.1. Term

This Agreement shall come into force from the Execution Date and the Agreement shall continue to be in force unless terminated in accordance with the provisions of clause 11.3 below or upon repayment of the Facility in accordance with the provisions contained in clause 6 hereof or upon prepayment of the Facility in accordance with the provisions contained in clause 7 hereof.

11.2. Events of Default

The occurrence and/ or continuance of any one or more of the following events shall constitute a default under the Agreement (each such event being herein referred to as an "**Event of Default**") -

- (a) If the Company fails to credit Total Payouts into the Escrow Account on or before Due Dates. Provided that in the event such failure is due to technical or administrative errors, then the Company shall be provided an additional period of 7 (seven) days from the relevant Due Date to make such payment.
- (b) An event or circumstance has occurred which is materially prejudicial to or imperils or depreciates the Security or the charge created by the Security Documents ceases to be valid under the Applicable Laws.
- (c) One or more of the events, conditions or circumstances occurs which has a Material Adverse Effect and the same is not remedied within thirty (30) days from the date of notice given by the Investors to the Company.
- (d) If the Company goes into liquidation for the purpose of amalgamation or reconstruction, except with prior written approval of the Investors.

- (e) If the Facility or any part thereof is utilized by the Company for any purpose other than the purpose contemplated in Clause 2.2. herein.
- (f) The Borrower, is unable (under Applicable Laws) or admits inability, to pay its debts under this Agreement i.e., the Total Payouts as they fall due, suspends making payments on any of the Monthly Payouts or the Additional Payout and such suspension continues beyond 30 (thirty) Business Days.

11.3. Termination

In case of occurrence and continuance of any of the events described above or in Clause 11.2 of this Agreement or if the Company has not availed the Facility before the availability period, then in such event, the Investors may, with a prior notice of 30 (thirty) days to the Company, terminate the right of the Company to avail Disbursements. Upon such notice, the undrawn amount of the Facility shall stand cancelled.

12. CUMULATIVE RIGHTS

12.1. For greater certainty, it is expressly understood and agreed that the rights and remedies of the Investors under the Agreement, the other Facility Documents or under any document or instrument executed pursuant hereto or thereto, are cumulative and are in addition to and not in substitution of the Investor's rights or remedies provided by Applicable Law or by equity and any single or partial exercise by the Investors of any right or remedy for a default or breach of any term or condition contained in the Agreement, the other Transaction Documents or any other document or instrument executed pursuant hereto or thereto, shall not be deemed to be a waiver of or to alter, affect or prejudice the right or remedy or other rights or remedies to which the Investors may be lawfully entitled for such default or breach. Any waiver by the Investors of the strict observance, performance or compliance with any term or condition herein contained and any indulgence granted either expressly or by course of conduct of the Investors shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Investors under the Agreement, the other Transaction Documents or any document or instrument executed pursuant hereto or thereto, as a result of any other default or breach hereunder or thereunder.

12.2. Consequences of Event of Default

Upon and at any time after the occurrence of an Event of Default and at any time thereafter whilst it is continuing, the Investors may, -

- (i) by with a prior notice of 30 (thirty) days to the Company, demand that all or part of the entire outstanding amount under the Facility and all other amounts payable under the Transaction Documents be immediately due and payable; and/ or
- (ii) enforce its rights under the Transaction Documents in the manner provided therein and in Applicable Law; and/or

- (iii) issue a notice to the Escrow Bank to utilize the balances in the Escrow Account towards repayment of Secured Obligations and/or instruct the Escrow Bank to ensure that no withdrawals/transfers take place from the Escrow Account.

13. INDEMNITY

The Company undertakes (without limiting any other remedy of the Investors under the Facility Documents or in any other way, including their right to damages in respect of a claim for breach of any of the representations or warranties on any other basis) to defend, indemnify and hold harmless the Investors and their respective officers, directors, employees, affiliates, advisors, agents and controlling Persons (each, an "Indemnified Party") from and against any and all losses, claims, liabilities, damages and expenses, incurred or sustained by the Indemnified Parties on account of the occurrence of an Event of Default except those which are declared by court as caused by gross negligence or willful misconduct of the Investors and shall upon request appear and defend at the Company's own cost and expense any action which may be brought against the Investors in connection therewith..

14. TAXES; REPORTING REQUIREMENTS

14.1. Tax gross up

- (a) All payments to be made by the Company to the Investors under the Facility Documents shall be made net of any deduction or withholding for or on account of Tax, (a "**Tax Deduction**") which the Company is required to make in terms of the Applicable Law;
- (b) If the Company is required to make a Tax Deduction, the Company shall make that Tax Deduction and make any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Applicable Law; and

15. GOVERNING LAW AND DISPUTE RESOLUTION

- 15.1.** This Agreement shall be governed and construed in accordance with the laws of India.
- 15.2.** The courts, tribunals at Delhi shall have an exclusive jurisdiction in respect of all the matters arising out of / in relation to this Agreement.

16. MISCELLANEOUS

16.1. Further Assurances

Each Party shall co-operate with the other Party, execute and deliver to the other Party such instruments and documents and take such other actions as may be reasonably requested from time to time in order to carry out, evidence and confirm their rights and the intended purpose of the Agreement.

16.2. Notices

All notices, requests, consents, demands or other communication required or permitted to be given under the Agreement and the provisions contained herein shall be written in English and shall be sent by registered post, postage prepaid, or couriered to the other Party at the address indicated below-

In the case of notices to the Company, to:

Address : [●]
Attention : [●]
Phone Number : [●]
E-mail : [●]

In the case of notices to the Investors, to:

Address : [●]
Attention : [●]
Phone Number : [●]
E-mail : [●]

or at such other address as the Party to whom such notices, requests, demands or other communication is to be given shall have last notified the Party giving the same in the manner provided in this clause, but no such change of address shall be deemed to have been given until it is delivered or deemed to be delivered in accordance with this clause 16.2.

Any notice, request, demand or other communication delivered to the Party to whom it is addressed as provided in this clause 16.2 shall be deemed (unless there is evidence that it has been received earlier) to have been given and received, if-

- (i) sent by mail, five (5) calendar days after posting it;
- (ii) sent by courier, when received at the Party's physical address; and
- (iii) if sent by e-mail, when it is sent provided the sender does not receive an "undeliverable" message (if sent during business hours) or (if not sent during business hours) at the beginning of business hours next following the time of sending of the e-mail.

16.3. Waivers and Acknowledgements

The Company hereby waives any right to terminate or revoke the Agreement until the Facility and interest thereon, fees, costs, charges and all other amounts owed by and all other present and future obligations and liabilities under or in respect of the Transaction Documents have been fully paid to the Investor.

16.4. Severability

If, at any time, any provision of the Agreement is or becomes illegal, invalid or unenforceable in any respect, neither the legality, validity nor enforceability of the remaining provisions will in any way be affected or impaired.

16.5. Amendments

No modification, alteration or amendment of the Agreement or any of its terms or provisions shall be valid or legally binding on the Parties unless made in writing and duly executed by or on behalf of the Parties.

16.6. Entire Agreement

The Agreement along with other Transaction Documents constitute and represent the entire Agreement between the Parties with regard to the rights and obligations of each of the Parties and supersedes all prior arrangements, agreements or understandings, if any, whether oral or in writing, between the Parties on the Facility hereof or in respect of matters dealt with herein.

16.7. Sanction Letter

Notwithstanding anything contained herein, the sanction letter dated [●] attached as Schedule II hereto, as amended from time to time ("**Sanction Letter**") shall form an integral part of this Agreement as if it were set out expressly herein and shall be read in conjunction with the terms of this Agreement and in the event of express conflict between the contents of the Sanction Letter with the contents herein, the contents of the former shall prevail to the extent of the said conflict. For sake of clarity, the Company acknowledges, agrees and confirms that any breach of terms and conditions of the Sanction Letter shall be construed as a breach of this Agreement.

IN WITNESS WHEREOF, each of the Parties has caused the Agreement to be duly executed by its duly authorised representatives on the date and year first above written:

THE COMMON SEAL of the within named the Company, **HINDUSTAN PETROLEUM CORPORATION LIMITED** has hereunto affixed pursuant to the resolution passed at the meeting of its board of directors held on _____, in the presence of _____ and _____ who have in token thereof, affixed their signatures hereto.

SIGNED AND DELIVERED BY within named the Company, **Hindustan Petroleum Corporation Limited**, by the hand of its authorised official.

Name:
Designation:

SIGNED AND DELIVERED BY within named the Investors, [●], by the hand of its authorised official.

Name:
Designation:

**SCHEDULE I
PARTICULARS OF THE FACILITY**

NAME OF THE INVESTORS (1)	AMOUNT OF FACILITY IN RUPEES CRORES (2)
[•]	[•]
[•]	[•]
Total	[•]

SCHEDULE II
Investor(s) Sanction Letter
(to be annexed)

**SCHEDULE III
DEFINITIONS AND INTERPRETATION**

"Act"	shall mean the Companies Act, 2013, along with all applicable rules and regulations framed in connection therewith, as amended from time to time.
"Additional Payout"	shall mean the additional amount payable by the Company per month, over and above the Monthly Payout, in case the Reset Discount Rate is higher than the Initial Discount Rate.
"Adverse Financial Covenants Deviation"	shall mean an adverse deviation (arrived at/determined on the basis of audited financial statements, of more than 10% (ten percent), from the levels projected/estimated accepted at the time of availing the Facility or the last review, in atleast 2 (two) of the Financial Covenants.
"Applicable Laws"	shall mean the laws of Republic of India.
"Benchmark Rate"	shall mean [●]
"Bid Documents"	Means the bid documents issued by Company in relation to the Facility.
"Borrowings"	shall mean the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of the financial indebtedness of the Company (other than any indebtedness in respect of any derivative transaction entered into connection with protection against or benefit from fluctuation in any rate or price and any guarantee or indemnity in respect of such indebtedness).
"Business Day"	shall mean a day (other than Sunday or a bank holiday) on which banks are normally open for business in Mumbai.
"Company's Representations and Warranties"	means and refers to the representations and warranties as set out in Schedule VII.
"Condition(s) Precedent"	means the conditions precedent specified in clause 4.1 which are required to be satisfied by the Company.
"Disbursement"	means the lending and release of Facility by the Investor to the Company on the Drawdown Date(s), in accordance with the terms and conditions contained in the Agreement.
"Disbursed Facility"	shall mean aggregate of all Disbursements from time to time.
"Drawdown Date"	means the Business Day on which the Disbursement of Facility shall take place following receipt by the Investor of a Drawdown Notice.
"Due Date"	shall mean and refer the following: (i) for repayment of the Monthly Payouts - the First Monthly Payout Date or the Subsequent Monthly Payout Date, as the case may be; (ii) for payment of Additional Payout - the last Business Day of the calendar month in which Reset Discount Rate is changed.
"Reset Discount Rate"	shall mean at any relevant time, the Benchmark Rate plus the Spread.

"Escrow Account"	shall have the meaning specified in the Escrow Account Agreement.
"Escrow Account Agreement"	shall mean the escrow account agreement entered into or to be entered into between the Company, the Investors and the Escrow Bank.
"Escrow Bank"	shall have the meaning specified to it in the Escrow Account Agreement.
"Event of Default"	means any event specified as being an event of default under clause 11.2.
"First Monthly Payout Date"	shall mean the last date of the calendar month falling after the expiry of one month from the date of first Disbursement. Provided, in the event the Disbursement takes place on the first day of the calendar month, then the First Monthly Payout Date shall be construed as the last day of the month of Disbursement. For example, in case of Disbursement in the month of February 2024, (other than on 1st February, 2024), First Monthly Payout will be payable on March 30, 2024. However, in case of Disbursement on 1st February, 2024 the First Monthly Payout will be payable on 29th February, 2024.
"Government"	shall mean the government of the Republic of India or any state government in the Republic of India.
"Governmental Approval"	means any material authorisation, approval, consent, license or permit required from any Governmental Authority or pursuant to any Applicable Law.
"Governmental Authority"	shall mean any Government, agency or department, local authorities, nodal agency(ies) (such as corporation, municipality or panchayat), commission, board, agency, regulatory authority, instrumentality, court, quasi-judicial, judicial or administrative body, or any political subdivision thereof, including, without limitation, any stock exchange or any self-regulatory organization or any other authority, established under any Applicable Law.
"Initial Discount Rate"	shall mean the rate mutually agreed by the Investor and the Company as on the date of this Agreement, that is [●] %.
"Initial Reset Date"	shall mean with respect to each tranche of Disbursement mean the date falling at the expiry of [●] months from the date of such Disbursement of the Facility.
"Interest"	shall mean interest on the outstanding Disbursed Facility payable by the Company to the Investors at the Initial Discount Rate or Reset Discount Rate.
"Interest Payment Date(s)"	shall mean the last day of each calendar month, and if such day is not a Business Day, then the Business Day immediately preceding such day.
"Long Term Borrowings"	shall mean all Borrowings of the Company in respect of amounts borrowed or raised and originally due for payment after 12 (twelve) months from the date of creation of such indebtedness.
"Long Term Debt"	shall mean financial indebtedness of the Company in respect of amounts borrowed or raised and not originally due for

	payment within twelve (12) months of the date of creation of such indebtedness.
"Long Term Secured Debt"	shall mean all Long Term Debt which is secured by security.
"Material Adverse Effect"	shall mean an event or circumstance which has a material adverse effect on or a material adverse change in: <ul style="list-style-type: none"> a) The financial condition, assets, operations, or business of the Company; or b) The ability of the Company to perform its obligations under the Facility Documents; or c) The validity, legality or enforceability of Facility Documents.
"Monthly Payout(s)"	shall mean the monthly payments to be made by the Company to the Investors from the Cashflows in the form of service station license fees towards the repayment of the Facility and Interest thereon.
"Paid-Up Capital"	shall mean the aggregate of: <ul style="list-style-type: none"> (a) the amount paid up or credited as paid up on the issued share capital of the Company (other than any shares which are expressed to be redeemable); and (b) the amount standing to the credit of the reserves and surplus of the Company.
"Person(s)"	shall unless specifically provided otherwise mean any individual, corporation, partnership, association of persons, joint venture company, joint stock company, trust or government authority as the context may admit.
"Purpose"	means the utilization of the Facility for the purposes detailed in clause 2.2 of this Agreement in accordance with the Applicable Laws.
"Tangible Net Worth"	shall mean Paid-Up Capital less (but without double counting) any amount included in Paid-Up Capital which is attributable to <ul style="list-style-type: none"> a) Goodwill or other intangible assets (b) Amounts set aside for tax (c) minority interests but ignoring any variation in the credit or debit balance on the profit and loss account since the date of the then latest audited balance sheet of the Company except to the extent reflected in any later profit and loss statement. Any amount outstanding, or repayable in a currency other than Rupees shall on that day be taken into account in its Rupee equivalent at the rate of exchange that would have been used had an audited balance sheet of the Company been prepared as at that day in accordance with IndAS applicable to the financial statements of the Company.
"Total Net Fixed Assets"	shall mean, the aggregate net book value of all the Company's fixed tangible assets and capital work in progress (excluding, for the avoidance of doubt, any revaluation reserve, any capital advances, goodwill and other intangible assets) as determined from the financial statements.
"Total Payout"	shall mean the collectively the Monthly Payouts, and Additional Payouts.

"Transaction Documents"	means collectively the Agreement, Security Documents, Sanction Letter, Escrow Agreement and all other instruments, agreements and documents pertaining to or relating to the Agreement as amended, modified, varied and supplemented from time to time and any other related document executed in relation to the Facility.
"Retail Outlets"	Shall mean company owned dealer operated and dealer owned dealer operated retail outlets wherein the assets including the fuel dispensing units, tankages, pipelines, and superstructures, have been installed by the Company.
"Reset Date"	shall mean, as the context may require, the Initial Reset Date and/or the relevant Subsequent Reset Date.
"Sanction Letter"	shall mean the sanction letter issued by the Investors dated [●], as amended from time to time.
"Secured Obligations"	shall mean all amounts due, owing or payable to Investors by the Company pursuant to the terms of this Agreement and /or the other Facility Documents, including without limitation: <ul style="list-style-type: none"> (a) the total amount of the principal and interest on the Facility, and all other obligations and liabilities of the Company, including amounts arising out of indemnities, expenses, fees, charges and interest, incurred under, arising out of or in connection with any Facility Document; (b) in the event of any proceeding for the collection or enforcement of the Secured Obligations, after an Event of Default shall have occurred, the expenses incurred by the Investor for exercise of its right under the Deed of Hypothecation and/or the other Facility Documents, together with legal fees and court costs.
"Security"	shall have the meaning ascribed to it under clause 3 of this Agreement.
"Security Documents"	shall mean the deed of hypothecation executed/to be executed by the Company in favour of the Investors and such other documents/agreements that may be entered into or delivered or deposited with the Investors for creating, effecting, perfecting and maintaining the Security, in a form and substance satisfactory to the Investor.
"Spread"	shall mean [●]% p.a.
"Subsequent Monthly Payout Date(s)"	shall mean every successive Monthly Payout date falling on the last day of each calendar month, following the First Monthly Payout Date.
"Subsequent Reset Date"	shall mean, with respect to each tranche of Disbursement, the date occurring after every [●] from the Initial Reset Date.
"Tax"	means any interest tax, other levies, duties if any, applicable as per the Agreement.

Interpretation

In the Agreement,

- (i) any reference to the singular shall include the plural and vice-versa;
- (ii) any reference to the masculine, the feminine and the neuter shall include each other;
- (iii) any reference to a "company" shall include a body corporate; and
- (iv) the recitals and schedules form part of the Agreement and shall have the same force and effect as if expressly set out in the body of the Agreement, and any reference to the Agreement shall include all recitals and schedules to it. Any references to clauses and schedules are references to the clauses and schedules to the Agreement. Any references to parts or paragraphs are, unless otherwise stated, reference to parts or paragraphs of the schedule in which the reference appears.

SCHEDULE IV
CONDITIONS PRECEDENT

- A. The Company submitting certified, true and up-to date (where applicable) copies of the following to the Investors-
- (a) its memorandum of association and articles of association;
 - (b) a resolution by the board of directors of the Company authorizing a key managerial person or persons to sign, execute and deliver the documents, deed, writings, etc., as may be required for execution, delivery, performance by the Company of the transactions contemplated under the Facility Documents;
 - (c) a resolution of its shareholders under Section 180 (1)(a) and (c) of the Act authorizing the borrowing of monies and creation of security.
- B. The Company submitting a certificate from its authorized signatory confirming that the Facility would be within the borrowing limits of the resolution of the shareholders as set out above; and
- C. The Company's Representations and Warranties having remained accurate and absence of any breach of the covenants or any other provision of the Facility Documents by the Company.

**SCHEDULE V
DRAWDOWN NOTICE**

[please insert date]

To,
[Insert the name of the Investor]
[●]

Dear Sirs,

Subject: Facility Agreement dated [●]

1. Please refer to the facility agreement executed between Investors and the Hindustan Petroleum Corporation Limited (the "**Company**") on [●] (the "**Agreement**"). All terms defined in the Agreement shall bear the same meanings herein.
2. The Company hereby requests the Disbursement on [●] (or as soon as practicable thereafter) of the amount of [●] under the Facility in accordance with the provisions of clause 5 of the Agreement.
3. For the purposes of the Agreement, the Company hereby certifies as follows:
 - (a) no Event of Default has occurred or is continuing and there is no likelihood of the occurrence of such an Event of Default to the best of its knowledge and belief;
 - (b) the proceeds of the Disbursement are, at the date of this request required by the Company for the Purpose(s);
 - (c) nothing has occurred which has or could reasonably be expected to have a Material Adverse Effect and the Company has not incurred any material loss or liability;
 - (d) the Company's Representations and Warranties made in the Agreement are true on and as of the date of this request and will be true on and as of the Drawdown Date with the same effect as if such representations and warranties had been made on and as of each such date;
 - (e) the Company hereby certifies that the all of the conditions in clause 4.1 of the Agreement have been satisfied; and
 - (f) after giving effect to the Disbursement, the Company will not be in violation of:
 - (a) its organizational documents;
 - (b) any provision contained in any document to which the Company is a party (including the Agreement) or by which the Company is bound; or
 - (c) any law, rule, regulation, authorization, agreement or other document binding on the Company directly or indirectly, limiting or otherwise restricting the Company's borrowing power or authority or its ability to borrow.

The above certifications are effective as of the date of this request for Disbursement and shall continue to be effective as of the Drawdown Date. If any of these certifications is no longer valid as on or prior to the date of the requested Disbursement, the Company will immediately notify the Investors.

IN WITNESS WHEREOF, I have hereunto set my hand this day of [●], 2024

For Hindustan Petroleum Corporation Limited

By:

Name:

Designation:

SCHEDULE VI COVENANTS

A. POSITIVE COVENANTS

(i) Financial Covenants

(a) The Company shall maintain the following financial covenants ("**Financial Covenants**"):

(i) Tangible Net worth shall not be less than INR 6,000 crores (Indian Rupees Six Thousand Crores);

(ii) Long Term Secured Debt to Net Fixed Asset will not exceed 0.8:1; and

(iii) Long Term Borrowings to Tangible Net worth will not exceed 2.50:1.

(b) The Financial Covenants shall be tested annually basis the audited financial statements of the Company. First testing to be done basis the audited financial statements for the financial year ending on March 31, 2024 or the relevant financial year of the date of Drawdown, whichever is later.

(ii) Inspection

The Company shall permit and make suitable arrangements for the representatives, authorised officers, agents or employees of the Investors to visit and inspect its offices, its properties and assets, in relation to the Total Payout and examine the Company's books of records, financial statements, accounts with prior written notice of 10 (ten) Business Days.

(iii) Maintenance of Existence; Books and Records

The Company shall preserve and maintain its legal existence as a company inter-alia engaged in operation and/or maintenance of Retail Outlets and activities related and incidental thereto and shall maintain proper books of record as are necessary to truly, accurately and correctly reflect the financial condition, operations of the Company and scale of its operations.

(iv) Applicable Laws

(a) The Company shall comply in all material respects with the Applicable Law including in relation to the conduct of its business and maintenance of the Retail Outlets.

(b) The Company shall comply in all material respects with all environmental laws, obtain and maintain any environmental permits and take all reasonable steps in anticipation of known or expected future changes to or obligations under environmental laws or any environmental permits.

(v) Maintenance of Accounts

The Company shall open and maintain the Escrow Account with the Escrow Bank and shall ensure deposit of all Total Payout into the Escrow Account to be opened and maintained in terms of the Escrow Account Agreement, on or before the Due Date as periodic payment to the Investor(s).

(vi) Use of Proceeds

The Company acknowledges and agrees that the proceeds of the Facility shall be utilized for the Purpose, and shall not be used for any other purpose whatsoever.

(vii) **Taxes Duties**

The Company shall pay and discharge all Taxes and other statutory dues imposed on or payable by it including Taxes on its income, profits or on any of its property and shall file all returns relating to such Taxes.

(viii) **Shortfall Undertaking**

The Company shall utilise funds from other sources of cashflows for meeting its debt servicing obligation i.e., Monthly Payouts, in case of shortfall in Cashflows.

(ix) **FATCA**

The Company is incorporated in India and the Company hereby agrees and acknowledges that the Investors may require the Company to provide assistance and co-operation in relation to Foreign Account Tax Compliance Act ("**FATCA**") compliance (including without limitation the provisions of the Income Tax Act, 1961 and the directions of Reserve Bank of India ("**RBI**"), from time to time), and in this regard hereby agrees and undertakes to extend full co-operation to the Investors including, without limitation, by (i) furnishing such information, forms, records, reports, data which the Investors may require in this regard, and (ii) permitting the Investors to conduct such due diligence and/ or inspection exercises as the Investors may deem fit in this connection. Provided that no additional cost will be borne by the Company for any such due diligence/inspection.

(x) **Willful Defaulter**

The Company shall not induct a person, into its board of directors, who is a promoter or director on the board of a company which has been identified as a willful defaulter or a person who has been declared as a willful defaulter by any bank/financial institution. In case such a person is already a member of Company's board of directors, the Company would take expeditious and effective steps for the removal of that person from its board of directors. For the purpose of this Agreement the term 'willful defaulter' shall have the same meaning as defined in the Master Circular on Willful Defaulters issued by the RBI, as amended and modified from time to time.

(xi) **Disclosure**

(a) The Company understands that as pre-condition, relating to the grant of the Facility to the Company, the Investors requires the Company's consent for the disclosure by the Investors of information and data relating to the Company of the Facility availed / to be availed by the Company, obligations assumed / to be assumed by the Company, in relation thereto and default, if any, committed by the Company, in discharge thereof, as the Investors may deem appropriate and necessary to disclose and furnish to TransUnion CIBIL Limited ('**CIBIL**') and any other agency so authorized in this behalf by RBI.

(b) The Company, further acknowledge and confirm that the Investors shall, without notice to or without any consent of the Company (and even for consideration) be absolutely entitled and have full right, power and authority to make disclosure of any information relating to the Company the obligation assumed/to be assumed, by the Company, in relation thereto and default, if any, committed by the Company, in discharge thereof to CIBIL or any other agency or any other credit bureau authorized in this behalf by RBI the Investor's other branches/ subsidiaries/

affiliates/, information utilities or other entities appointed under Insolvency and Bankruptcy Code, 2016, as amended from time to time and rules framed thereunder ("IBC"), any central KYC registry or any agency or entity authorised in this regard under Applicable Law, who may need the information and may process the information, publish in such manner and through such medium as may be deemed necessary by the publisher/ Investors/ RBI, including publishing the name as part of willful defaulter's list from time to time or also use for KYC information verification, credit risk analysis, or for other related purposes. With regard to the Investors making disclosure of any information relating to the Company as mentioned above to information utilities or other entities appointed under IBC, the Company hereby specifically agrees to promptly authenticate the 'financial information submitted by the Investors, as and when requested by the concerned information utilities or entities appointed under IBC. Accordingly, the Company hereby agrees and gives consent for the disclosure by the Investors of all or any such:

- (1) information and data relating to it;
- (2) the information or data relating to any credit facility availed of / to be availed, by it and
- (3) default, if any, committed by it, in discharge of its such obligation, as the Investors may deem appropriate and necessary to disclose and furnish to CIBIL and any other agency authorised in this behalf by RBI.

(c) The Company undertakes that

- (1) the CIBIL and any other agency so authorised may use, process the said information and data disclosed by the Investors in the manner as deemed fit by them;
- (2) the CIBIL and any other agency so authorised may furnish for consideration, the processed information and data or products thereof prepared by them, to banks / financial institutions and other credit grantors or registered users, as may be specified by the Reserve Bank in this behalf; and
- (3) the Investors shall have an unqualified right to disclose to other banks information including the credit history and the conduct of the account(s) of the Company, in such manner and through such medium as the Investors in their absolute discretion may think fit.

B. INFORMATION COVENANT

- (i) The Company shall inform the Investors within 5(five) Business Days of the occurrence of any social, labour, health and safety, security or environmental incidents, accidents or any other circumstances which could reasonably be expected to have any Material Adverse Effect.
- (ii) The Company shall forthwith inform the Investors in the event of happening of any Event of Default.
- (iii) The Company shall promptly supply or procure such documents and other evidence as is requested by the Investors for compliance of the "know your customer" norms.

C. NEGATIVE COVENANTS

The Company shall not, without the prior written consent of the Investors:

- (i) **Change in Business and Operations**
Effect any change to the Company's business and operations having Material Adverse Effect.
- (ii) **Insolvency**
The Company shall not initiate any voluntary insolvency or bankruptcy proceeding of any nature whatsoever.
- (iii) **Encumbrance**
create any encumbrance over the Cashflows earned from Retail Outlets.

SCHEDULE VII
COMPANY REPRESENTATIONS AND WARRANTIES

A. Existence and Ability

- (i) The Company is duly organized and validly existing under the laws of India and is in good standing.
- (ii) The Company has all corporate powers and material Governmental Approvals, required to own its property and to carry on its business as now conducted and is duly qualified to do business in the jurisdiction where it operates.

B. Power and Authority

The Company has the full legal right, capacity and authority to enter into the Facility Documents to which it is a party and the Facility Documents constitute legal, valid and binding obligations on the Company. The Company has the corporate power and authority to execute and deliver the terms and provisions of the Facility Documents and has taken all necessary corporate actions to authorise the execution and delivery of the Facility Documents and the transactions contemplated hereby.

C. Valid and Binding Obligation

Facility Documents constitutes a legally valid and binding obligation of the Company enforceable against it in accordance with its terms, except to the extent that enforcement may be limited by applicable bankruptcy, insolvency or other laws of general application affecting creditors' rights or the application of equitable principles.

D. No Violation

The execution, delivery and performance by the Company of the Facility Documents and the compliance by it with the terms and provisions thereof do not and will not:

- (i) contravene any material provision of any Applicable Law, statute, rules or regulations or any order, writ, injunction or decree of any court or governmental instrumentality to which it is subject; or
- (ii) conflict with or be inconsistent with or result in any breach of any of the material terms, covenants, conditions or provisions of, or constitute a default under, any agreement, contract or instrument to which it is a party or by which, it or any of its property or assets is bound or to which it may be subject; or
- (iii) violate any material provision of its memorandum and articles of association and other constitutional documents.

E. Litigation

To the best of knowledge of the Company as on date of this Agreement, there are no material proceedings pending before any court, tribunal or Governmental Authority against or relating to the Company which could reasonably be expected to have a Material Adverse Effect.

F. Insolvency

The Company has not taken any corporate action and to the best of its knowledge as on date of this Agreement there no legal proceedings pending against it for its winding-up, bankruptcy, dissolution, administration or reorganization including no action (voluntary or involuntary) for liquidation / insolvency, under Insolvency and Bankruptcy Code, 2016 or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer or of any or all of its assets or revenues.

G. Borrowings

(i) The total amount borrowed by the Company does not exceed any limitation on their borrowings contained in its articles of association, or in any resolution of its board, or other deed or document binding on the Company.

(ii) No event of default or breach-

(a) which has or would entitle a lender or other counterparty of any borrowing to require the payment or repayment of such borrowing before its normal or originally stated maturity; or

(b) which is or shall be such as to terminate, cancel or render incapable of exercise any entitlement to draw money or other rights of the Company under a written agreement related to any borrowing,

has been declared by the lender or counter party of such borrowing or has occurred or is expected to occur in relation to such borrowing.

(iii) The Company is not in breach of its material obligations, undertakings or covenants under any of the loan agreements entered into with its lenders.

H. Compliance with Applicable Laws

The Company to the best of its knowledge, has complied with all material Applicable Laws in India including in relation to the conduct of its business including any laws in relation to anti-bribery or corruption or anti- money laundering regulations as prescribed by RBI or any other Governmental Authority

I. Material Adverse Effect

To the best of its knowledge, there are no events which has occurred which could be expected to result in Material Adverse Effect.

J. Board Composition

(i) No director of the Investors is a director, manager, managing agent, employee or guarantor of the Company, or of a subsidiary of the Company, or of the holding company of the Company, or holds substantial interest, in the Company or a subsidiary or the holding company of the Company and no directors of any other bank holds substantial interest or is interested as director or as a guarantor of the Company.

- (ii) To the best of knowledge and as per the annual disclosures provided by the directors of the Company, none of the directors of Company and their relatives (as defined under the Act) are on the board of any banking company (including the Investors).

K. Statutory Dues

Save to the extent that payment is being contested in good faith and payment can be lawfully withheld, the Company has duly paid all statutory dues, including without limitation, statutory dues under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and other labour laws, to the extent applicable.

L. Defaulter Lists

- (i) The Company and its directors (except for any nominee director on the board of director of the Company) are not on Export Credit Guarantee Corporation of India caution list / specific approval list, RBI's defaulters or caution list, Conservation of Foreign Exchange and Prevention of Smuggling Activities Act defaulters list.
- (ii) Neither the Company nor its their directors or key managerial personnel appear in the list of defaulters issued by the RBI or the CIBIL or any other credit information bureau.

M. Others

Neither the Company nor any person(s) directly or indirectly related to the Company feature in the list published by the Office of Foreign Assets Control, U.S. Department of the Treasury, from time to time comprising of (i) individuals or companies owned or controlled by, or acting for or on behalf of, targeted countries or groups including, without limitation individuals identified as terrorists or narcotics traffickers, or (ii) individuals and companies that are categorised as 'Specially Designated Nationals' by the Office of Foreign Assets Control, U.S. Department of the Treasury. The Company agrees and acknowledges that upon being included in the abovementioned lists, the Investors shall be entitled to cancel/ terminate the Facility with immediate effect, and in such event all the amounts due in respect of the Facility shall become immediately due and payable to the Investors.