



Ref: NGEL\2022-23\RFP\01

Date: 20-Feb-2023

To
Banks/FIs

Dear Sir/Madam,

Subject: Request for Proposal (RfP) for up to Rs. 9,000 Crore Rupee Term Loan by NTPC Green Energy Ltd-100% Subsidiary of NTPC Ltd ("NGEL" or "Borrower" or "Company")

1. Overview

1.1 NTPC Limited

NTPC Limited, a "Maharatna" Central Public Sector Enterprise ("CPSE") of India, is the leading energy sector behemoth, primarily engaged in power generation through Thermal, Hydro, Solar, Wind, Biomass, Waste-to-Energy sources apart from other associated business such as Coal Mining, power trading etc. NTPC has total installed operational capacity of >70 GW.

NTPC has forayed into electricity generation from Renewable Energy (RE) sources to reduce its carbon footprint and reduce greenhouse gas emissions. NTPC now aims to become "Sustainable Integrated Energy Company" and "Market leader for Indian/Global Renewable Energy Sector" with set target of building ~60 GW capacity through RE sources constituting ~45% of its total energy generation capacity by FY 32. NTPC's equity shares are listed on BSE and NSE since November 2004. NTPC is rated as "CRISIL AAA" by CRISIL Limited, "[ICRA] AAA (Stable)" by ICRA Limited, "CARE AAA (Stable)" by CARE and "IND AAA/Stable" by India Ratings & Research Pvt. Ltd. These ratings are considered to have the highest degree of safety regarding timely financing of obligations and carry lowest credit risk.

1.2 NTPC Green Energy Limited (NGEL)

NTPC has incorporated NTPC Green Energy Limited ("NGEL") in April 2022 for consolidating its renewable energy businesses and aggressively pursue its green/ sustainable energy venture.

NGEL, consequent to the transfer of 15 RE projects from NTPC through a Business Transfer Agreement (BTA), will have operational / under implementation RE projects aggregating to 2861 MW (14 solar power projects of 2811 MW and a wind power project of 50MW). Out of the above 15 projects, 13 projects (2261 MW) are fully operational and the remaining 2 Projects are partly operational (operational capacity 350 MW out of 600 MW) taking Cumulative Operational Capacity to **2611 MW as on date**. These 15 RE projects have firm PPA tie-up for 100% capacities with State DISCOMs, CPSE.

Brief Profile of the 15 RE Assets is attached as Annexure-I.



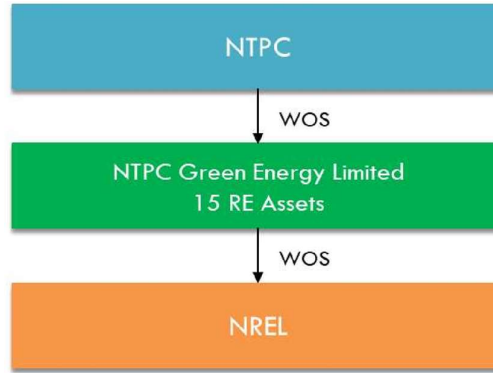
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Further, NGEL will also acquire 100% shareholding of NTPC Renewable Energy Limited (“NTPC REL”) pursuant to a Share Purchase Agreement (SPA), vehicle for undertaking organic growth.

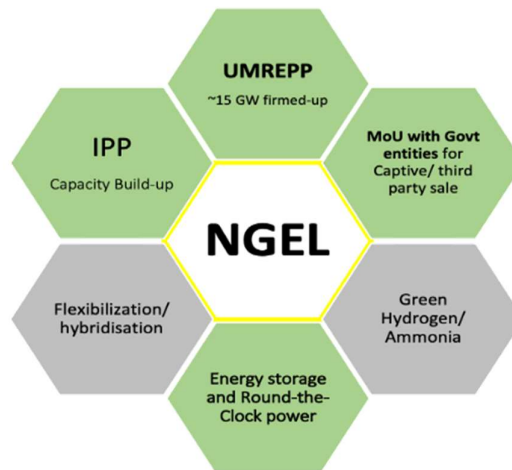
A schematic diagram of the structure is provided here under:



It is proposed that the 15 RE assets and shareholding of NTPC REL will vest with NGEL by 28.02.2023 (“Closing Date”).

NGEL plans to build -up capacity through both organic and inorganic routes, while NTPC REL shall act as vehicle for organic growth only and other green energy business including green hydrogen/ ammonia, JVs with other PSUs, bilateral arrangement with commercial and industrial entities shall be undertaken in NGEL.

NGEL aims to be the flag-bearer of NTPC’s renewable energy journey with a rapid capacity enhancement reaching to ~12 GW operational capacity by FY 25 on a consolidated basis and further scale up to achieve the larger target of 60 GW by FY 32. NGEL have multiple prongs to achieve growth over the decade and act as a premier “RE” player in India as well as globally.



Reg. Office: NTPC Bhawan, CORE-7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi – 110003.

Tel No-011 24360959 Email: ngel@ntpc.co.in

CIN: U40100DL2022GOI396282



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2. Credit Ratings

CRISIL Ratings has assigned its 'CRISIL AAA/Stable' ratings to the proposed bank facilities of NTPC Green Energy Ltd (NGEL).

The ratings reflect the high strategic importance of NGEL to, and strong financial and managerial linkages with NTPC; diversified portfolio; and low offtake risk due to long term PPAs, resulting in a healthy DSCR (debt service coverage ratio).

3. Details of RFP

As per the BTA (including amendments thereof) executed between NGEL and NTPC, NGEL intends to raise fresh debt and repay outstanding liability of ~**Rs. 8,200 Crore** towards NTPC by 31st March 2023 along with applicable interest cost.

Also, additional funds to the tune of ~ **Rs 800 Crore** would be required for additional debt liability (if any) based on the Balance Sheet as on the Closing date and for balance capex payments of projects which are yet to achieve Full COD.

We hereby seek your participation in the bidding process and submit your bid in the format attached as **Annexure-II** to this RFP.

Banks may obtain information related to Projects after submitting the 'Non-Disclosure Undertaking' in the prescribed format as per **Annexure III** attached to the RFP.

Detailed Term Sheet is attached as **Annexure-IV**. The Draft loan agreement is enclosed at **Annexure-V**.

4. Bidding procedure and instructions to bidders

- (a) Each Bank/FI shall place an unconditional and irrevocable commitment mentioning the rate of interest (in two decimals) and quantum of loan offered.
- (b) Bid should be submitted in the enclosed format only **as per Annexure II** duly signed by authorized signatory.
- (c) Banks/FIs are requested to quote the lowest Rate of Interest (ROI) linked to MCLR or any other market determined external benchmark, clearly specifying the reset period which shall not be less than One month or as per the usual practice of the Bank/FI. Revision in quantum or ROI will not be allowed after last date and time of bid submission indicated below or extension thereof, if any. The last bid received before cut-off time will be considered for evaluation purpose.

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(d) Bids should be submitted by **hand /post by 11.00 A.M. of 6th March,2023 (Monday)**.

(e) Tentative Timelines:

Bidding Date and Time	6th March,2023 by 11.00 A.M
Location where bid to be submitted	Head of Finance NTPC Green Energy Limited 5th Floor, NTPC NETRA Old Building, E-3, Main Market Road, Ecotech-II, Udyog Vihar, Greater Noida, UP – 201306
Execution of Loan Agreement	March 2023
Likely Date of Drawl	March 2023

(f) **Minimum Quantum Size:** The minimum amount of loan offered by banks/FIs shall be Rs. **1,000 Crore** and in multiples of Rs 500 Crore thereafter.

(g) The Sanction letter should be in line with the Term sheet enclosed herewith. Further, a copy of Draft agreement is also attached for ready reference.

5. Evaluation methodology of bids

- (a) The bid shall be evaluated based on quoted lowest Rate of Interest (ROI) (irrespective of any benchmark and/or spread thereon). Reset period shall not be considered for evaluation as the implication of the same on long term loan cannot be calculated.
- (b) **If the basis of rate of interest is an external benchmark, the bidder will be required to maintain the quoted rate of interest till the date of agreement in case of upward movement in the external benchmark.** In case of Repo linked rate, change to the extent of movement in Repo rate shall be allowed.
- (c) In case more than one offer is received at the lowest ROI, option will be given to all the L1 bidders to improve their ROI. If still, there are more than one offer(s) available, following order of preference will be used:
- bidders quoting rates linked to benchmark other than T-bill.
 - bidders offering larger quantum of loan.
 - bidders offering longer tenor amongst such bidders.

For the balance amount of loan, allocation would be made on pro-rata basis to available lowest bidders.

- (d) In case the entire requirement is not met with the lowest ROI offers as quoted by L1 bidder(s), an opportunity would first be provided to L1 bidder(s) to increase their quantum.

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- (e) In case the requirement is still not met, opportunity will be provided to L2 bidder(s) (L3, L4, L5.... bidders would be considered sequentially if there is still requirement) to match the rate of interest offered by the L1 bidder. In such an event, firm allocation will be made to the initial L1 bidder(s) for the entire amount committed by them. Thereafter, pro-rata allocation will be made for the balance amount. In case of pro-rata allocation rounding off, if any, will be as per the Company's discretion.
- (f) In case the issue remains undersubscribed, NGEL reserves the right to mobilise the balance funds at L2, L3, L4 Offered rates, when none of the bidders are willing to match the L1 price.

It may, however, be noted that invitation of bids does not in any way bind the company for mobilizing funds from any of the bidders. Further NGEL reserves the right to reject any of the bids, reduce the issue size, reduce the minimum quantum size, or scrap the RFP altogether at its sole discretion without assigning any reasons thereof.

6. Contact Details of Officials

For bids related or any other information, you may contact

1. Mr. Nitin Jaiswal, DGM Finance
Phone: +91 9650992659
Email: nitinjaiswal@ntpc.co.in
2. Mr. Ankit Agarwal, Dy. Manager Finance
Phone: +91 8959591012
Email: ankitagarwal@ntpc.co.in

Regards

(Neeraj Sharma)
Head of Finance

Encl.:

1. Brief Project Details– **Annex. I**
2. Bid Format – **Annex. II**
3. Format for Non-disclosure Undertaking – **Annex. III**
4. Term Sheet – **Annex. IV**
5. Draft Loan Agreement – **Annex. V**

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Annex. I

NGEL Projects Details

	Project	Nature	Capacity (MWax)	Location	COD/ SCOD
1.	Rojmal	Wind	50	Gujarat	10-Nov-17
2.	Mandsaur	Solar	250	Madhya Pradesh	1-Sep-17
3.	Bhadla	Solar	260	Rajasthan	25-Mar-17
4.	Anantpur	Solar	250	Andhra Pradesh	10-Aug-16
5.	Rajgarh	Solar	50	Madhya Pradesh	30-Apr-14
6.	Bilhaur-1	Solar	140	Uttar Pradesh	18-Jan-21
7.	Bilhaur-2	Solar	85	Uttar Pradesh	08-Apr-21
8.	Jetsar	Solar	160	Rajasthan	25-Mar-22
9.	Shimbhoo Ka Burj-1	Solar	250	Rajasthan	06-Aug-22
10.	Fatehgarh	Solar	296	Rajasthan	05-Aug-22
11.	Devikot-2	Solar	90	Rajasthan	13-Dec-22
12.	Devikot-1	Solar	150	Rajasthan	13-Dec-22
13.	Ettayapuram	Solar	230	Tamil Nadu	14-Dec-22
14.	Nokhra	Solar	300	Rajasthan	100MW on 20-Dec-22; 50MW on 30-Dec-22; 50MW on 15-Feb-23 and Balance 100MW- FY23 (Expected)
15.	Shimbhoo Ka Burj-2	Solar	300	Rajasthan	150 MW on 29-Sep-22 and Balance 150MW- Q1 FY24 (Expected)
	Total		2,861		



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Annex. II

[On the letterhead of the Bank/FI]

Date:

NTPC Green Energy Limited
5th Floor, NTPC NETRA Old Building,
E-3, Main Market Road, Ecotech-II, Udyog Vihar,
Greater Noida, UP - 201306

Sir,

Subject: Request for Proposal (RfP) for up to Rs. 9,000 Crore Rupee Term Loan by NTPC Green Energy Ltd-Subsidiary of NTPC Ltd ("NGEL" or "Borrower" or "Company")

In response to your RFP **NGEL\2022-23\RFP\01** dated _____, we submit our unconditional and irrevocable commitment to mobilize the term loan as under:

Name of Bank/FI	
Loan amount (Minimum Rs. 1000 crore)	₹ crore
Tenor	15 Years or more (Including 6 Months moratorium)
Repayment	Half yearly
Interest Rate Quoted (Annual) up to two decimal places. (In words & figures both)P.A. with monthly rest
Basis of Rate of interest (MCLR/ any other external benchmark)	
Reset period (not to be less than 1 month or as per usual practice of bank/FI, except in Repo)	
Validity of Offer	

We undertake that:

- We have read and understood the terms and conditions for Rupee Term Loan proposed to be borrowed by NGEL.
- We unconditionally accept the terms and conditions of the RFP as contained in your invitation letter dated
- We have understood that offers with Indicative/ tentative amount are liable for rejection.
- We accept that NGEL reserves the right not to accept and reject any or all the offers received without assigning any reason thereof at its sole discretion.
- We accept that NGEL reserves the right to restrict or enhance the amount.

(Authorized Signatory)



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Annex. III

[On the letterhead of the Bank/FI]

NON-DISCLOSURE UNDERTAKING

We, _____ (name & address of bank/FI), understand that during discussions with NTPC Green Energy Limited ("NGEL"), in connection with proposal for extending term loan of as sought by NGEL vide RFP Ref: **NGEL\2022-23\RFP\01** dated, certain 'Confidential information' may come to our possession that NGEL intends to protect against any unauthorized use. It is understood that unauthorized disclosure or use, whether intentional or unintentional, of any of the 'Confidential Information' would be detrimental to NGEL.

Accordingly, we undertake that-

- we shall not disclose, to any third party, the object and scope of the discussions with NGEL.
- we shall not use any of the 'Confidential Information' for any Purpose other than for or in connection with the proposal for extending Term loan as mentioned above, without prior consent of NGEL.
- any dissemination of Confidential Information shall be only in connection with the Purpose as mentioned above, and shall be only to our employees, agents who have a need to know the said 'Confidential Information' and who have been advised of the confidential nature of such information.

Meaning of "Confidential Information"

"Confidential Information" means any information, documents or data in any form that contains confidential or proprietary information which is not generally known to third parties and which:

- relates to the business affairs, operations or structure of the Company or the Project.
- contains technical information, specifications or data, designs, or tariff or pricing information, information about equipment or other investors or participants, in each case in relation to the Project, and other information relating to equipment, designs and commercial or other proprietary or confidential information.
- contains any financial information, modelling or projections or results or information relating to the Company or its affiliates.

and, in any such case, whether disclosed prior to, on or after the date hereof in connection with the Project or the Potential Transaction.

(Authorized Signatory)



Annex. IV

[On the letterhead of the Bank/FI]

The major terms and conditions of proposed loan are summarized hereunder: -

Sr.	Terms	Details
I.	Size of Loan	up to Rs. 9,000 Crore
II.	Purpose	For repaying the debt obligations towards NTPC against acquisition of 15 RE Assets and further capex for these assets
III.	Tenor of Loan	15 Years or more (Door to Door)
IV.	Moratorium	6 Months from the date of 1 st Drawl
V.	Repayment	The Loan shall be repaid in equal half yearly instalments. The first instalment will become due 6 (six) months after the end of the moratorium period of 6 months and last instalment will fall due at the end of tenor.
VI.	Disbursement/ Availability Period	12 Months from the date of First Disbursement
VII.	Rate of Interest	<p>Interest will be paid monthly.</p> <p>Banks / FIs to quote the rate linked to MCLR or other external benchmark clearly specifying the reset period which shall not be less than one month or as per usual practice of bank/FI.</p> <p>Further, the interest rate will prevail till the next reset date on any disbursement made from the sanctioned term loan facility.</p> <p>In case the bidder chooses to quote based on an external benchmark (other than their MCLR) then company shall have an option during the entire tenor of the loan to switch such that the applicable interest rate shall be lower of the following:</p> <p>a. External Benchmark based interest rate b. Minimum MCLR (Overnight) of the bank.</p> <p>If the basis of rate of interest is an external benchmark, the bidder will be required to maintain the quoted rate of interest till the date of</p>



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		agreement in case of upward movement in the external benchmark. In case of Repo linked rate, change to the extent of movement in Repo rate shall be allowed. Monthly interest shall be paid during the moratorium period also.
VIII.	Prepayment Charges	NIL, with 30 days' notice period
IX.	Security	Unsecured, against Negative lien on the fixed assets of the Company*
X.	Default Rate	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 applicable default interest rate will be 1% (One percent) p.a.
XI.	Processing fees, upfront fees, etc.	NIL
XII.	Financial Covenant	The ratio of total liabilities to net worth at no time will exceed 3:1.

*Negative Lien

Except the charges and encumbrances already created on the assets (movable / immovable) 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.

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.

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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.

All the above terms are unconditionally acceptable to us.

(Authorized Signatory)