

ANNEXURE

(FALLBACK MECHANISM)

Currency – Can be used for any currency

Use Type – Fallback Mechanism

This Annexure (*Fallback Mechanism*) shall form an integral part of the Sanction Letter shared by the Bank with the Borrower and shall be binding on the parties. Please note that these are standard terms which intend to cover all options governing pricing of the Facilities. Such options are for the benefit of the Bank only and may be exercised by it upon giving prior intimation to the Borrower.

ANNEXURE - PART 1 – DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

Unless otherwise defined in this Annexure, all capitalised terms used herein and defined in the Agreements shall have the same meaning in this Annexure.

- (a) **"Break Costs"** means the amount (if any) by which:
- (i) the interest which the Bank should have received for the period from the date of receipt of all or any part of its participation in the Facilities or Unpaid Sum to the last day of the current Interest Period in respect of the Facilities or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:
 - (ii) the amount which the Bank would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.
- (b) **"Business Day"** means a day (other than a Saturday or Sunday) on which banks are open for general business in Mumbai or IFSC branch- GIFT City or such other city in India, as the case may be and as may be communicated by the Bank to the Borrower in writing and further includes an Additional Business Day.
- (c) **"Facility Repayment Date"** means the date as may be communicated by the Bank to the Borrower in writing.
- (d) **"Fallback Interest Period"** means the period as may be communicated by the Bank to the Borrower in writing.
- (e) **"Final Repayment Date"** means the date as may be communicated by the Bank to the Borrower in writing.
- (f) **"Funding Rate"** means any individual rate notified by the Bank to the Borrower pursuant to paragraph (a) (ii) of Clause 4.5(Cost of funds) of this Annexure.
- (g) **"Guarantor"** means the entity so referenced in the Sanction Letter and / or any other document in relation to the transaction.

- (h) **"Historic Screen Rate"** means, in relation to any Facility, the most recent applicable Screen Rate for a period equal in length to the Interest Period of that Facility and which is as of the Quotation Day.
- (i) **"Interest Period"** means, in relation to the Facilities, each period determined in accordance with Clause 3 (Interest Periods) of this Annexure and, in relation to an Unpaid Sum, each period determined in accordance with Clause 2.3 (Default interest) of this Annexure.
- (j) **"Interpolated Historic Screen Rate"** means, in relation to any Facility, the rate (rounded [to the same number of decimal places as the two relevant Screen Rates] which results from interpolating on a linear basis between:
- (i) the most recent applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Facility; and
 - (ii) the most recent applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Facility,

each as of the Specified Time on the Quotation Day for the currency of that Facility.

- (k) **"Interpolated Screen Rate"** means, in relation to any Facility, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:
- (i) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Facility; and
 - (ii) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Facility,

each as of the Specified Time.

- (l) **"LIBOR"** means, in relation to any Facility:
- (i) the applicable Screen Rate as of the Specified Time for a period equal in length to the Interest Period of that Facility; or
 - (ii) as otherwise determined pursuant to Clause 4.1 (Unavailability of Screen Rate) of this Annexure,

and if, in either case, that rate is less than zero, LIBOR shall be deemed to be zero.

- (m) **"Margin" / "Spread"** means the rate communicated by the Bank to the Borrower in writing.
- (n) **"Month"** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:
- (i) other than where paragraph (ii) below applies:

- (A) (subject to paragraph (C) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
 - (B) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
 - (C) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.
- (o) **"Obligors"** means collectively the Borrower and the Guarantor, and **"Obligor"** means each one of them.
- (p) **"Quotation Day"** means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period, (unless market practice differs in the Relevant Market, in which case the Quotation Day will be determined by the Bank in accordance with market practice in the Relevant Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days)).
- (q) **"Reference Banks"** means, in relation to LIBOR, the principal London offices of such entities as may be appointed by the Bank in consultation with the Borrower.
- (r) **"Reference Bank Quotation"** means any quotation supplied to the Bank by a Reference Bank.
- (s) **"Reference Bank Rate"** means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Bank at its request by the Reference Banks in relation to LIBOR as either:
- (i) if:
 - (A) the Reference Bank is a contributor to the Screen Rate; and
 - (B) it consists of a single figure,

the rate (applied to the relevant Reference Bank for US dollars and the relevant period) which contributors to the Screen Rate are asked to submit to the relevant administrator; or
 - (ii) in any other case, the rate at which the relevant Reference Bank could fund itself in US dollars for the relevant period with reference to the unsecured wholesale funding market.
- (t) **"Relevant Market"** means the London interbank market.
- (u) **"Repayment Instalment"** means the installment communicated by the Bank to the Borrower in writing.
- (v) **"Sanction Letter"** means the letter issued / to be issued by the Bank for a particular transaction and duly accepted and acknowledged by the Borrower and/or Obligor/s, as may be required by the Bank and any further

amendments, renewals, modifications carried out from time to time by the Bank.

- (w) **"Screen Rate"** means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for US dollars and the relevant period displayed (before any correction, recalculation or republication by the administrator) on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate).
- (x) **"Selection Notice"** means a notice substantially in the form set out in Annexure – Part 3 (*Selection Notice*) given in accordance with Clause 3 (Interest Periods) of this Annexure in relation to a Facility.
- (y) **"Specified Time"** means a day or time determined in accordance with Annexure - Part 4 - (Timetables).
- (z) **"Unpaid Sum"** means any sum due and payable but unpaid by an Obligor under the Agreements.
- (aa) **"Utilisation"** means a utilisation of a Facility.
- (bb) **"Utilisation Date"** means the date of a Utilisation, being the date on which a Facility is to be made.

ANNEXURE - PART 2 - FALLBACK CLAUSES

2. INTEREST

2.1 Calculation of interest

The rate of interest on each Facility for an Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin / Spread; and
- (b) LIBOR.

2.2 Payment of interest

The Borrower to whom the Facilities have been extended shall pay accrued interest on that Facility on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six-monthly intervals after the first day of the Interest Period).

2.3 Default interest

- (a) If an Obligor fails to pay any amount payable by it under an Agreement on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is the rate in percentage terms per annum, as specified by the Bank from time to time in the Sanction Letter or via a separate communication, higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Facility in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Bank (acting reasonably). Any interest accruing under this Clause 2.3 shall be immediately payable by the Obligor on demand by the Bank.
- (b) If any overdue amount consists of all or part of a Facility which became due on a day which was not the last day of an Interest Period relating to that Facility:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Facility; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be the rate in percentage terms per annum, as specified by the Bank from time to time in the Sanction Letter or via a separate communication, higher than the rate which would have applied if the overdue amount had not become due.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

2.4 Notifications

- (a) The Bank shall promptly notify the Borrower of the determination of a rate of interest under the Agreements.

- (b) The Bank shall promptly notify the Borrower of each Funding Rate relating to a Facility.
- (c) This Clause 2.4 shall not require the Bank to make any notification to the Borrower on a day which is not a Business Day.

3. INTEREST PERIODS

3.1 Selection of Interest Periods

- (a) A Borrower may select an Interest Period for a Facility in the utilisation request / drawdown notice (or howsoever described) for that Facility or in a Selection Notice.
- (b) Each Selection Notice for a Facility is irrevocable and must be delivered to the Bank by the Borrower to which the Facility was made not later than the Specified Time.
- (c) If the Borrower fails to deliver a Selection Notice to the Bank in accordance with paragraph (b) above, the relevant Interest Period will, subject to Clause 3.2 (*Changes to Interest Periods*) of this Annexure, be [one] Month.
- (d) Subject to this Clause 3, the Borrower may select an Interest Period of one Month or of any other period agreed between the Borrower and the Bank in relation to the relevant Facility. In addition a Borrower may select an Interest Period of less than one Month, if necessary to ensure that there are sufficient Facilities (with an aggregate amount equal to or greater than the Repayment Instalment) which have an Interest Period ending on a Facility Repayment Date for the Borrowers to make the Repayment Instalment due on that date.
- (e) An Interest Period for a Facility shall not extend beyond the Final Repayment Date applicable to the Facility.
- (f) Each Interest Period for a Facility shall start on the Utilisation Date.

3.2 Changes to Interest Periods

- (a) Prior to the earlier of:
 - (i) the Bank determining the interest rate for a Facility; and
 - (ii) the first day of an Interest Period for a Facility,

the Bank may shorten an Interest Period for the Facility to ensure there are sufficient Facilities (with an aggregate amount equal to or greater than the Repayment Instalment) which have an Interest Period ending on a Facility Repayment Date for the Borrowers to make the Repayment Instalment due on that date.
- (b) If the Bank makes any of the changes to an Interest Period referred to in this Clause 3.2, it shall promptly notify the Borrower.

3.3 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

3.4 Consolidation and division of Facilities

(a) Subject to paragraph (b) below, if two or more Interest Periods:

- (i) relate to Facilities made to the Borrower; and
- (ii) end on the same date,

those Facilities will, unless the Borrower specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and treated as, a single Facility on the last day of the Interest Period.

(b) Subject to any provision contained in the Facility Agreement, if a Borrower requests in a Selection Notice that a Facility be divided into two or more Facilities, that Facility will, on the last day of its Interest Period, be so divided into the amounts specified in that Selection Notice, being an aggregate amount equal to the amount of the Facility immediately before its division.

4. CHANGES TO THE CALCULATION OF INTEREST

4.1 Unavailability of Screen Rate

(a) *Interpolated Screen Rate*: If no Screen Rate is available for LIBOR for the Interest Period of a Facility, the applicable LIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Facility.

(b) *Shortened Interest Period*: If no Screen Rate is available for LIBOR for:

- (i) the currency of a Facility; or
- (ii) the Interest Period of a Facility and it is not possible to calculate the Interpolated Screen Rate,

the Interest Period of that Facility shall (if it is longer than the applicable Fallback Interest Period) be shortened to the applicable Fallback Interest Period and the applicable LIBOR for that shortened Interest Period shall be determined pursuant to the definition of "**LIBOR**".

(c) *Shortened Interest Period and Historic Screen Rate*: If the Interest Period of a Facility is, after giving effect to paragraph (b) above, either the applicable Fallback Interest Period or shorter than the applicable Fallback Interest Period and, in either case, no Screen Rate is available for LIBOR for:

- (i) the currency of that Facility; or
- (ii) the Interest Period of that Facility and it is not possible to calculate the Interpolated Screen Rate,

the applicable LIBOR shall be the Historic Screen Rate for that Facility.

(d) *Shortened Interest Period and Interpolated Historic Screen Rate*: If paragraph (c) above applies but no Historic Screen Rate is available for the Interest Period of the Facility, the applicable LIBOR shall be the Interpolated Historic Screen Rate for a period equal in length to the Interest Period of that Facility.

(e) [Reference Bank Rate:] / [Cost of funds:] If paragraph (d) above applies but it is not possible to calculate the Interpolated Historic Screen Rate, the Interest

Period of that Facility shall, if it has been shortened pursuant to paragraph (b) above, revert to its previous length and [the applicable LIBOR shall be the Reference Bank Rate as of the Specified Time for the currency of that Facility and for a period equal in length to the Interest Period of that Facility] / [there shall be no LIBOR for that Facility and Clause 4.5 (*Cost of funds*) of this Annexure, shall apply to that Facility for that Interest Period].

- (f) [*Cost of funds*: If paragraph (e) above applies but no Reference Bank Rate is available for the relevant currency or Interest Period there shall be no LIBOR for that Facility and Clause 4.5 (*Cost of funds*) of this Annexure, shall apply to that Facility for that Interest Period.]] / **OR**

4.2 **[[Unavailability of Screen Rate]**

- (a) *Interpolated Screen Rate*: If no Screen Rate is available for LIBOR for the Interest Period of a Facility, the applicable LIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Facility.
- (b) [*Reference Bank Rate*:] / [*Cost of funds*:] If no Screen Rate is available for LIBOR for:
- (i) the currency of a Facility; or
 - (ii) the Interest Period of a Facility and it is not possible to calculate the Interpolated Screen Rate,

[the applicable LIBOR shall be the Reference Bank Rate as of the Specified Time for the currency of that Facility and for a period equal in length to the Interest Period of that Facility] / [there shall be no LIBOR for that Facility and Clause 4.5 (*Cost of funds*) of this Annexure, shall apply to that Facility for that Interest Period].

- (c) [*Cost of funds*: If paragraph (b) above applies but no Reference Bank Rate is available for the relevant currency or Interest Period there shall be no LIBOR for that Facility and Clause 4.5 (*Cost of funds*) of this Annexure, shall apply to that Facility for that Interest Period.]]

4.3 **Calculation of Reference Bank Rate**

- (a) Subject to paragraph (b) below, if LIBOR is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.
- (b) If at or about [noon] on the Quotation Day, none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for the relevant Interest Period.]

4.4 **Market disruption**

If, before close of business in the relevant branch of the Bank, on the Quotation Day for the relevant Interest Period, the Bank determines that the cost to it of funding that Facility from whatever source it may reasonably select (including from the wholesale market for the relevant currency), as may be determined by the Bank at its sole discretion, would be in excess of LIBOR then Clause 4.5 (*Cost of funds*) of this Annexure, shall apply to that Facility for the relevant Interest Period.

4.5 **Cost of funds**

- (a) If this Clause 4.5 applies, the rate of interest on the Facilities for the relevant Interest Period shall be the percentage rate per annum which is the sum of:
- (i) the applicable Margin / Spread; and
 - (ii) the rate notified to the Borrower by the Bank **or** the weighted average of the rates notified to the Borrower by the Bank as soon as practicable and in any event before the date on which interest is due to be paid in respect of that Interest Period.
- (b) If this Clause 4.5 applies and the Bank or the Borrower so requires, the Bank and the Borrower shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of the Banks and the Borrower, be binding.
- (d) [If this Clause 4.5 applies pursuant to Clause 4.4 (*Market disruption*) of this Annexure:
- (A) the Bank's Funding Rate is less than LIBOR; or
 - (B) the Bank does not supply a quotation by the time specified in paragraph (a)(ii) above,

the cost to the Bank of funding that Facility for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be LIBOR.

- (e) If this Clause 4.5 applies the Bank shall, as soon as is practicable, notify the Borrower.

4.6 **Break Costs**

- (a) The Borrower shall, within three Business Days of demand by the Bank, pay to the Bank its Break Costs (if any) attributable to all or any part of a Facility or Unpaid Sum being paid by the Borrower on a day prior to the last day of an Interest Period for that Facility or Unpaid Sum.
- (b) The Bank shall, as soon as reasonably practicable, provide a certificate confirming the amount of its Break Costs for any Interest Period in respect of which they become, or may become, payable.

4.7 **Replacement of Screen Rate**

- (a) Subject to any clause in relation to amendments and waivers, if a Screen Rate Replacement Event has occurred, any amendment or waiver which relates to:
- (i) providing for the use of a Replacement Benchmark *in relation to that currency in place of (or in addition to) the affected Screen Rate*; and
 - (ii) aligning any provision of the Agreements to the use of that Replacement Benchmark;

- (A) enabling that Replacement Benchmark to be used for the calculation of interest under the Agreements (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of the Agreements),
- (B) implementing market conventions applicable to that Replacement Benchmark,
- (C) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark, or
- (D) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Bank and the Obligors.

- (b) *If the Bank fails to respond to a request for an amendment or waiver described in paragraph (a) above within fifteen (15) Business Days (unless the Obligors and the Bank agree to a longer time period in relation to any request) of that request being made:*

- (i) *its Commitment shall not be included for the purpose of calculating the Total Commitments under the Facilities when ascertaining whether any relevant percentage of Total Commitments has been obtained to approve that request.*

- (c) In this Clause 4.7:

"Relevant Nominating Body" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"Replacement Benchmark" means a benchmark rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Screen Rate by:
 - (i) the administrator of that Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Screen Rate); or
 - (ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Benchmark" will be the replacement under paragraph (ii) above;

- (b) in the opinion of the Bank and the Borrower, generally accepted in the international or any relevant syndicated domestic loan markets as the appropriate successor to that Screen Rate; or
- (c) in the opinion of the Bank and the Borrower, an appropriate successor to a Screen Rate.

"Screen Rate Replacement Event" means, in relation to a Screen Rate:

- (a) the methodology, formula or other means of determining that Screen Rate has, in the opinion of the Bank and the Borrower, materially changed;
- (b)
 - (i)
 - (A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent, or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;
 - (ii) the administrator of that Screen Rate publicly announces that, on or prior to the date that such Screen Rate is to be determined, it has ceased or will cease, to provide that Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;
 - (iii) the supervisor of the administrator of that Screen Rate publicly announces that, on or prior to the date that such Screen Rate is to be determined, such Screen Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of that Screen Rate or its supervisor announces that, on or prior to the date that such Screen Rate is to be determined, that Screen Rate may no longer be used; or
- (c) the administrator of that Screen Rate determines that that Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
 - (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Bank and the Borrower) temporary, or
 - (ii) that Screen Rate is calculated in accordance with any such policy or arrangement for a period no less than the period as may be communicated by the Bank to the Borrower; or

- (d) in the opinion of the Bank and the Borrower, that Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under the Agreements.

4.8 **Prepayment**

- (a) Without prejudice to Clause 4.8 (b), the Borrower shall have no right to prepay the Facility upon occurrence of Screen Rate Replacement Event.
- (b) Notwithstanding anything contained herein, upon occurrence of a Screen Rate Replacement Event, the Borrower may, upon receipt of request from the Lender, in the Lender's sole discretion, prepay the Facility in full or in part during the period commencing from the occurrence of the Screen Rate Replacement Event till the completion of [●] Months from the occurrence of Screen Rate Replacement Event; provided, that such prepayment is accompanied by payment of the [●]% premium. [For avoidance of doubt, it is hereby clarified that on occurrence of a Screen Rate Replacement Event, no prepayment premium shall be payable by the Borrower if such prepayment is made on the last day of an Interest Period for the outstanding Facility.]
- (c) In the event, upon completion of [●] Months from the occurrence of Screen Rate Replacement Event, the parties fail to execute the relevant finance documents, the Borrower may, if agreed upon by the Lender, prepay the Facility in full or in part (without paying any premium or penalty).

ANNEXURE - PART 3 - SELECTION NOTICE

From: [Borrower]

To: [Bank]

Dated:

**[Borrower] – [] Facility Agreement
dated [] (the "Facility Agreement")**

1. We refer to the Facility Agreement. This is a Selection Notice. Terms defined in the Agreements shall have the same meaning in this Selection Notice.
2. We refer to the following Facility with an Interest Period ending on []*
3. [We request that the above Facility be divided into [] Facilities with the following amounts and Interest Periods:]**

or

[We request that the next Interest Period for the above Facility is []].***
4. This Selection Notice is irrevocable.

Yours faithfully

.....
authorized signatory for
[name of the Borrower]

* Insert details of the Facility which has an Interest Period ending on the same date.

** Use this option if division of Facility is requested.

*** Use this option if sub-division is not required.

ANNEXURE - PART 4 - TIMETABLES

Delivery of a duly completed utilisation request / drawdown notice (or howsoever described) or a Selection Notice (Clause 3.1 (*Selection of Interest Periods*))

To be communicated by the Bank by way of Sanction Letter or otherwise.

LIBOR is fixed

Quotation Day

11.00 a.m.

Reference Bank Rate calculated by reference to available quotations in accordance with Clause 4.3 (*Calculation of Reference Bank Rate*) of this Annexure

[[Noon] on the Quotation Day]