

## **CHAPTER VIII**

### **SUMMARY TERM SHEET**

Security Name	PFC Capital Gain Tax Exemption Bonds –Series II
Issuer	Power Finance Corporation Limited
Type of Instrument	Secured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures having benefits under Section 54 EC of Income Tax Act, 1961
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement basis
Eligible investors	<ol style="list-style-type: none"> <li>1. Individuals</li> <li>2. Hindu Undivided Families (HUF)</li> <li>3. Partnership firm</li> <li>4. Insurance Companies</li> <li>5. Companies and Body Corporates</li> <li>6. Provident Funds, Superannuation Funds and Gratuity Funds</li> <li>7. Banks</li> <li>8. Mutual Funds</li> <li>9. Financial Institutions (FIs)</li> <li>10. Foreign Portfolio Investors (Subject to existing regulations)</li> <li>11. Regional Rural Banks</li> <li>12. NRIs/other foreign eligible investor investing out of NRO A/c on non-repatriable basis</li> <li>13. Co-operative Banks</li> <li>14. Limited liability Partnership</li> </ol> <p>However, out of the aforesaid class of investors eligible to invest, this Information Memorandum is intended solely for the use of the person to whom it has been sent by PFC for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the Bonds offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Information Memorandum from PFC). For documents to be attached with application form see Page No 32.</p>
Listing	The Bonds will not be listed on any stock exchange due to non-transferability during the tenure of Bonds.
Rating	'AAA/Stable' by CRISIL, 'AAA' by ICRA, &'AAA' by CARE
Issue size	₹ 500 crore + Green Shoe option to retain oversubscription
Object of the Issue	To augment resources of PFC for meeting fund requirement.
Details of utilization of the proceeds	The funds raised through private placement are not meant for any specific project as such and therefore the proceeds of this issue after meeting all expenses of the Issue shall be used for meeting object of the Issue.
Tenor	5 years from the deemed date of allotment
Coupon Rate	5.75 % p.a.

Coupon Payment frequency	Annual
Coupon payment dates:-	Every year on 31 <sup>st</sup> July till redemption and balance along with redemption.
Coupon type	Fixed
Day count basis	Actual/Actual
Date of Redemption	At the end of 5 years from the Deemed Date of Allotment.
Redemption amount	At par (Rs 10,000/- per Bond)
Redemption Premium/Discount	Not applicable
Face Value	Rs. 10,000 (Rupees Ten Thousand only) per bond
Issue Price	At par (Rs 10,000/- per bond)
Minimum application size and in multiple of thereafter	Application must be for a minimum size of Rs 20,000/- (2 bonds) and then in multiple of Rs. 10,000/- (1 bond) thereafter
Maximum application size	500 bonds of Rs 10,000/- each (Rs. 50,00,000/-)
Discount / Premium at which security is issued	Not applicable
Put Option	Not applicable
Call Option	Not applicable
Issue Opening & Closing Date	Issue Opening Date: April 1, 2018 Issue Closing Date: March 31, 2019 (at the close of the banking hours) or at a date / time as may be decided by PFC in its absolute discretion This Information Memorandum shall be valid for above period
Deemed Date of allotment	Last day of each month in which the subscription money is received and credited to PFC Capital Gain Bonds
Transferability	Non-transferable, Non-Marketable, Non-negotiable and cannot be offered as a security for any loan or advance
Issuance mode of instrument	In demat / physical mode.
Depository	National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”)
Business Days/Working Days	“Business Days”/ “Working Days” shall be all days on which money market is functioning in Mumbai. However, for the purpose of credit of Demat A/c, Working Days shall be all days on which NSDL/CDSL are open for business.
Effect of holidays (Note 1)	If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date.  If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately succeeding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.  In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.

Record Date	15 calendar days prior to actual interest/principal payment date
Security	<p>The bonds proposed to be issued are secured by a charge on the total receivables of the Company and/ or identified movable property by a first/pari pasu charge as may be agreed between the Company and the debenture trustee, pursuant to the terms of the Debenture Trust Deed excluding the Receivables on which specific charge has already been created by the Company.</p> <p>Further, the Company undertakes that it has obtained consent from existing creditors to create first pari passu charge on the said assets.</p>
Registrar & Transfer Agent	M/s Karvy Computershare Pvt. Ltd.
Mode of Subscription	Applicants may make remittance of application money through electronic mode or cheque / draft drawn in favour of 'PFC Capital Gain Bonds'.
Trustees	<p>Beacon Trusteeship Ltd. 4C &amp; D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai, Maharashtra 400051</p>
Governing Law and Jurisdiction	The Bonds shall be construed to be governed in accordance with Indian Law. The competent Courts in New Delhi alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

Notes :

1. Company reserves its sole & absolute right to modify (pre-pone/post pone) the issue opening/closing/pay-in-date(s) without giving any reasons or prior notice. In such case, Investors/Arrangers shall be intimated about the revised time schedule by Company. Company also reserves the right to keep multiple deemed date of allotment at its sole & absolute discretion without any notice. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Company.
2. PFC reserves the right to revise the coupon rate and/or close the issue by giving notice on its website. The investors are advised to consult PFC/Arrangers, before depositing the application with bank.
3. All applications submitted but rejected by PFC would be returned by PFC to the applicant/ collection banker, without any Interest.
4. Application for minimum Rs. 20,000/- (in multiples of Rs. 10,000/- thereafter) will be accepted, any amount received in fraction will be refunded to the investor without interest.