

## Annexure-A

### 2. (I) PARTICULARS OF THE OFFER

#### SUMMARY TERM SHEET FOR PRIVATE PLACEMENT OF POWERGRID BONDS IN THE NATURE OF DEBENTURES.

Issuer	Power Grid Corporation of India Limited ("Company/Corporation")
Issue Size	Rs1000Crore with Green shoe option up to Rs 1000Crore aggregating to Rs 2000 Crore
Base Issue Size	Rs1000Crore
Green Shoe Option	Rs1000Crore
Issue Subscribed	
Security Name	8.36% POWERGRID Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable POWERGRID Bonds-LXII Issue 2018-19
Object of the Issue	For part financing of capital expenditure, providing Inter Corporate Loan(s) to wholly owned subsidiaries and for general corporate purposes.
Instrument	Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable bonds in the nature of debentures
Issuance Mode	In Demat mode only
Trading Mode	In Demat mode only
Credit Rating	"CRISIL AAA/Stable" by CRISIL, "[ICRA] AAA" by ICRA and "CARE AAA/Stable" by CARE
Seniority	Secured (Pari Passu charge)
Mode of Issue	Private Placement under electronic book mechanism of NSE under SEBI Circular ref SEBI/HO/DDHS/CIR/P/2018/5 date January 5, 2018 and SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 and subsequent amendment, if any, read with "Operation Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism" issued by NSE.



Security	<p>Floating Charge by way of unattested memorandum of Hypothecation.</p> <p>The whole of the Corporation's assets except investments, land and buildings. Roads and bridges, water supply, drainage and sewerage and current assets; and shall include all assets both present and future, which are now lying or stored in or about or shall hereafter from time to time during the continuance of these presents be brought into or upon or to be stored or be in or about the Corporation's premises including its godowns of the Transmission Lines/Sub-Stations or wherever else the same may be or be held by any party to the order of the Corporation or in the course of transit or delivery in the possession of the Corporation and either by way of substitution or addition.</p> <p>Mortgage and charge on any one of the Immovable Property by way of a Registered Bond Trust Deed.</p> <p>Charge will rank pari-passu with other secured Term Lenders and Bond Holders.</p>
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	<p>The Bonds will be secured by way of fixed/floating /pari-passu charge on the assets of the Company. The charge will be created in favor of trustees by way of Bond Trust Deed in such form and manner as considered appropriate by the Company of value not less than 1.10 times the value of the Bonds outstanding.</p>
Eligible Investors /Participants	<ul style="list-style-type: none"> <li>• Arrangers as appointed by Issuer</li> <li>• All QIBs enrolled for direct participation on NSE-EBP platform.</li> <li>• From all non-QIB Investors enrolled with the EBP for direct participation, only eligible participants, as selected by the Issuer, may participate in the bidding process</li> </ul> <p>All Investors are required to comply with the relevant regulation/ guidelines applicable to them for investing in this Issue.</p>
Bond Series	POWERGRID Bonds-LXII Issue 2018-19
Face Value	Rs 10 lakhs per Bond
Minimum Bid lot and in multiple thereafter	1 Bond of Rs 10 lakh each and in multiple of 1 Bond Rs 10 lakh each thereafter



Issue Price	At par
Redemption Amount	At par (Rs. 10 lakhs) per Bond
Minimum Application	1 Bond of Rs10 lakhs each and in multiple of 1 Bond Rs 10 lakhs each thereafter
Tenor	10 Years from Deemed Date of Allotment (However, Bonds are redeemable at par in 05 equal annual installments starting at the end of 6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> and 10 <sup>th</sup> year from the deemed date of allotment).
Put Option	Not applicable
Manner of bidding	Closed bidding
Manner of allotment	Uniform yield allotment
Manner of settlement	Through National Securities Clearing Corporation Limited
Settlement cycle	T+2
Put Option Price	Not applicable
Put Option Date	Not applicable
Put Notification Time	Not applicable
Put Option	Not applicable
Put Option Price	Not applicable
Put Option Date	Not applicable
Put Notification Time	Not applicable
Redemption/ Maturity	redeemable at par in 05 equal annual installments starting at the end of 6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> and 10 <sup>th</sup> year from the deemed date of allotment.
Coupon Rate	8.36% p.a.
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Annual
Coupon payment dates	The first interest payment on 07 <sup>th</sup> January, 2020 and subsequent interest payment on 07 <sup>th</sup> January every year till redemption.
Coupon Type	Fixed
Coupon Reset Process	Not Applicable
Day Count Basis	Actual/ Actual Interest shall be computed on an "actual/actual basis". Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis
Interest on Application Money	Not Applicable
Listing	On the Debt Market segment of NSE and /or wholesale Debt Market segment of BSE.
Trustee	IDBI Trusteeship Services Limited
Depository	National Securities Depository Ltd. And Central Depository Services (India) Ltd.
Registrars	MCS Share Transfer Agent Limited
Settlement	Payment of interest and repayment of Principal shall be made by way of cheque(s) / interest/ redemption warrants(s)/ demand drafts(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism



Business Day /Working Day Convention	<p>Working Days shall be all days on which commercial banks are open for business in the city of Delhi. Further, second and fourth Saturdays of a month and Sundays, have also been considered as non-Business Days. We have not considered the effect of public holidays as it is difficult to ascertain for future dates.</p> <p>In line with the SEBI circular No. CIR/IMD/DF-1/122/2016 dtd. November 11, 2016, 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 following working day. However the dates of future coupon payments would be as per schedule originally stipulated at the time of issuing the security.</p> <p>If the redemption date (maturity date) falls on a day which is not a business day, the redemption proceed shall be paid by the issuer on the preceding business day along with interest accrued until but excluding the date of such payment.</p> <p>Refer illustration under heading "Effects of Holidays"</p>
Record Date	15 days prior to each Coupon Payment Date and Redemption Date
Effect of holidays	<p>If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payment would be as per the schedule originally stipulated at the time of issuing the security in line with SEBI circular No CIR/IMD/DF-1/122/2016 dtd. November 11, 2016.</p> <p>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 preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p>
Transaction Documents	Debenture Trustee Agreement, Trust deed and Other documents
Conditions Precedent to subscription of Bonds	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> <li>1. Rating letters from the aforesaid rating agencies not being more than one month old from the issue opening date,</li> <li>2. Letter from the Trustee conveying their consent to act Trustee for the Bondholder(s)</li> </ol>
Condition Subsequent to subscription of Bonds	The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this LXII Series:





	<ol style="list-style-type: none"> <li>1. Maintaining a complete record of private placement offers in Form PAS-5 and filing the such record along with Private Placement Offer Letter in Form PAS-4 with the Registrar of Companies, with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and with Securities and Exchange Board of India, within a period of Fifteen days of circulation of the Private Placement Memorandum;</li> <li>2. Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under section 42(9) of the Companies Act, 2013, with the Registrar of Companies within thirty days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014;</li> <li>3. Making listing application to NSE and/or BSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds;</li> <li>4. Executing the Debenture/Bond Trust Deed, in favor of the Trustee within three months from the closure of the issue / offer and submit with NSE and/or BSE within five working days of execution of the same for uploading on their website.</li> </ol> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter..</p>
Future Borrowing	<p>The Company/Issuer shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form and also issue Debentures / Notes / other securities in any manner and to change its capital structure without the consent of Debenture holders/Debenture Trustee.</p> <p>The Company/Issuer shall be entitled from time to time to make further issue of Bonds to the public, members of the Corporation and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets without any further approval from the Bondholders.</p>
Event of Default	<p>If the Company commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an "Event of Default" by the Company. Excluding in cases of technical errors due to reasons beyond the control of company</p>



	<p>Default in payment of interest and/ or principal redemption on the due dates.</p> <p>The company/Issuer shall pay additional interest at the rate of 2.00% p.a. over the Coupon Rate for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and up to but excluding the date on which such amount is actually paid.</p> <p>Provisions as contained in to SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 and Company Act, 2013 as amended shall apply, in case of Event of Default.</p>
Default Interest Rate	As per SEBI Notification dated 12th October, 2012
Remedies	Upon the occurrence of any of the Events of Defaults, the Trustee shall on instructions from majority Bondholder(s), declare the amounts outstanding to be due and payable forthwith and the security created under the security documents shall become enforceable, and the Trustees shall have the right to enforce any security created pursuant to the security documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustee may deem fit under the applicable laws.
Cross Default	Not Applicable
Role and Responsibilities of Debenture Trustee	The company has appointed IDBI Trusteeship Services Ltd.as Bonds Trustee. The trustees shall protect the interest of the bondholders in the event of default by POWERGRID in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of POWERGRID. No bondholder shall be entitled to proceed directly against POWERGRID unless the trustees, having become so bound to proceed, fail to do so.
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing Indian laws. Any dispute arising thereof will be subject to the jurisdiction of the court of Delhi.
Additional Covenants	<p>Security Creation:</p> <ol style="list-style-type: none"> <li>The Issuer has obtained permission/ consents from the existing creditor(s) to create pari passu charge.</li> <li>In case of delay in execution of Bond Trust cum Hypothecation Deed within three month of Deemed Date of Allotment of the Bonds, the Company will refund the subscription with penal/additional interest of 2% p.a. over the coupon rate till the execution of the Bond Trust cum Hypothecation Deed.</li> </ol>



	<p><b>Listing:</b></p> <p>The Issuer shall complete all the formalities and seek listing permission within 20 days from the Deemed Date of Allotment. In case of delay in listing of the Bonds beyond 20 days from the Deemed Date of Allotment, the Company shall pay penal interest at the rate of 1.00% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).</p>
Mode of Subscription	As per SEBI Circular dated January 05 <sup>th</sup> , 2018, August 16, 2018 and operational guidelines of NSE
Date of passing of board resolution	01st August, 2017
Date of passing of resolution in the general meeting, authorizing the offer of securities	19 <sup>th</sup> September, 2017
<p><b><u>Proposed time schedule for bidding:</u></b></p> <p>Issue Timing</p> <p>1. Initial Opening: Electronic Bidding at EBP</p> <p>2. Initial Closing: Electronic Bidding at EBP.</p> <p>3. Pay-in-Date.</p> <p>4. Deemed date of allotment</p>	<p>03<sup>rd</sup> January, 2019, 12:30 PM</p> <p>03<sup>rd</sup> January, 2019, 01:30 PM</p> <p>07<sup>th</sup> January, 2019 (as per NSE/BSE operating guidelines)</p> <p>07<sup>th</sup> January, 2019 (subject of realization of cash as per NSE/BSE operating guidelines)</p>
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing Indian laws. Any dispute arising thereof will be subject to the jurisdiction of the court of Delhi.
Other terms and Conditions	<ul style="list-style-type: none"> <li>As per applicable SEBI Guidelines</li> <li>The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone/ deferment/ cancel (scrap)) the proposed bond issue schedule without giving any reasons or prior notice.</li> </ul>

**Note:**

- Participants are requested to follow the provisions as contained in the SEBI circular no SEBI/HO/DDHS/CIR/P/2018/05 Dated 05<sup>th</sup> January, 2018, SEBI/HO/DDHS/CIR/P/2018/122 Dated August 16, 2018, The Companies Act, 2013 in respect of issuance of debt securities on private placement basis through an Electronic Book Mechanism (EBM). Also to follow the Operational Guidelines as prescribed by Recognized Stock Exchanges.



## **2.(II) OTHER PARTICULAR RELATED TO OFFER**

a) **MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE**

The POWERGRID hereby declares that there has been no material event, development or change at the time of issue which may affect the issue or the investor's decision to invest/continue to invest in the debt securities of the POWERGRID.

b) **PERMISSION/CONSENT FROM PRIOR CREDITORS**

The Company hereby confirms that it is entitled to raise money through current issue of Bonds without the consent/ permission/ approval from the Bondholders/Trustees/Lenders/ other creditors of the Company. The Company has obtained/will obtain consent from the existing charge holders, whenever required, for creation of security for the Bonds on pari-passu basis. In future, the Trustees shall provide consent to create pari-passu charge subject to Company's complying with the requisite terms of the Bonds issued without making any reference to the Beneficial Owners.

c) **NAME OF THE RECOGNISED STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED CLEARLY INDICATING THE DESIGNATED STOCK EXCHANGE**

The proposed securities are in the nature of Debentures are proposed to be listed in the Debt Market Segment of the National Stock Exchange of India Limited ("NSE") and/or Wholesale Debt Market segment of Bombay stock Exchange Ltd ("BSE").

The POWERGRID shall make an application to the NSE and/or BSE to list the Bonds to be issued and allotted under this Disclosure Document and complete all the formalities relating to listing of the Bonds immediately after the allotment date of the Bond Issue.

In connection with listing of Bonds with NSE and/or BSE, the POWERGRID hereby undertakes that:

- 1) It shall comply with conditions of listing of bonds as may be specified in the Listing Agreement with NSE and/or BSE;
- 2) Any revision in the rating shall be promptly disclosed by the POWERGRID to NSE and/or BSE. Any change in rating shall be promptly disseminated to the holder(s) of the Bonds in such manner as NSE and/or BSE may determine from time to time;

Ratings obtained by the POWERGRID are periodically reviewed by the credit rating agencies;

- 3) The Company, the Trustees and Stock Exchange(s) shall disseminate all information and reports on Bonds including compliance reports filed by the Company and the Trustees regarding the Bonds to the holder(s) of Bonds and the general public by placing them on their websites.





4) Trustees shall disclose the information to the holder(s) of the bonds and the general public by issuing a press release in any of the following events: -

- I. Default by the POWERGRID to pay interest on Bonds or redemption amount;
- II. Revision of rating assigned to the bonds. The information referred to in Para(2) above shall also be placed on the website of the Trustee, Company and stock exchanges.

d) **STATEMENT CONTAINING PARTICULARS OF THE DATES AND PARTIES TO ALL MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER**

By very nature and volume of its business, the Company is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Company. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Company) which are or may be deemed to be material have been entered into by the Company. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Corporate Office of the Company between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

**A. MATERIAL CONTRACTS**

- a. Letter of consent from M/s MCS Share Transfer Agent Limited Ref No. MCS/STA/PGID/2018 dated 11th April, 2018 and email dated 21<sup>st</sup> December 2018 for acting as Registrars to the Issue.
- b. Letter of consent from IDBI Trusteeship Services Limited Ref No. 9503/ITSL/OPR/CL/17-18/1025 dated 20th February, 2018 and email dated 21<sup>st</sup> December 2018 for acting as Trustee for and on behalf of the holder(s) of the bonds.
- c. Bond Trustee Agreement for the issue.

**B. DOCUMENTS**

1. Memorandum and Articles of Association of the POWERGRID as amended from time to time.
2. Board Resolution of the 343 Meeting dated 01st August, 2017 authorizing issue of bonds offered under terms of this Document.
3. Special Resolution approved by Shareholders dated 19<sup>th</sup> September, 2017 authorizing issue of bonds.



4. Letter of consent from Indian Overseas Bank Ref No. 0762/Bonds/2017-18 Dated 16th February, 2018 and email dated 20<sup>th</sup> December 2018 for acting as Banker to the Issue,
5. Letter from CRISIL conveying the credit rating dated 05th December, 2018, for the Bonds of the POWERGRID and the rating rationale pertaining thereto.
6. Letter from ICRA conveying the credit rating dated 07th December, 2018 for the Bonds of the POWERGRID and the rating rationale pertaining thereto.
7. Letter from CARE conveying the credit rating dated 06th December, 2018 for the Bonds of the POWERGRID and the rating rationale pertaining thereto.
8. Tripartite Agreement in April 2016 between POWERGRID, NSDL and MCS Share Transfer Agent Limited.
9. Tripartite Agreement in April 2016 between POWERGRID, CDSL and MCS Share Transfer Agent Limited.

### **OTHER DETAILS**

#### **1. BOND REDEMPTION RESERVE (BRR/DRR)**

Transfer to BRR suitable amounts in accordance with relevant provisions of the Companies Act, 2013 or other guidelines issued from time to time and in force during the currency of the Bonds.

#### **2. UNDERTAKING REGARDING COMMON FORM OF TRANSFER**

The bonds shall be transferred subject to and in accordance with the rules/procedures as prescribed by the NSDL/CDSL/Depository Participants of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the POWERGRID.

The POWERGRID undertakes that it shall use a common form/procedure for transfer of Bonds issued under terms of this Disclosure Document.



### 3. APPLICATION PROCESS

#### Procedure for applications by Mutual Funds/FII

The applications forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

- 1 SEBI registration certificate
- 2 Resolution authorizing investment and containing operating instructions.
- 3 Specimen Signature of authorized signatories

#### e) DOCUMENTS TO BE PROVIDED BY INVESTORS

Investors need to submit the following documentation, along with the application form, as applicable.

1. Memorandum and Articles of Association / Documents Governing Constitution.
2. Resolution authorizing investment
3. Certified True Copy of the Power of Attorney
4. Form 15 AA for investors seeking exemption from Tax deduction at source from interest on the application money.
5. Specimen signatures of the authorized signatories duly certified by an appropriate authority.
6. SEBI Registration Certificate (for Mutual Funds)/Recognition Certificate of Trust – Provident, Pension, Superannuation and Gratuity Fund
7. Permanent Account Number (PAN)
8. Bank / Demat Account Number

#### f) SUBMISSION OF COMPLETED APPLICATION FORMS

The application duly filled and affixed the stamp of investor may be deposited to GM (Finance) Resource Mobilization Section, 4th Floor, **POWERGRID CORPORATION OF INDIA LTD**, Corporate office, "Saudamini", Plot No.2, Sector 29, Gurgaon – 122001 (Haryana).

#### g) RIGHT TO ACCEPT / REJECT APPLICATIONS

Application forms which are incomplete or which do not fulfill the Terms & Conditions indicated on the back of the application form are liable to be rejected.



**h) PAYMENT ON APPLICATION**

Investors are requested to note the procedure for Clearing and Settlement of successful bids on Electronic Bidding Platform as notified by respective stock exchange (s) and are done through Clearing Corporation.

**i) MINIMUM LOT SIZE**

The minimum lot size for trading of the Bonds on the NSE and/or BSE is proposed to be of Rs.10, 00,000.00 (Rupees Ten Lakh Only).

**j) MINIMUM SUBSCRIPTION:**

As the current issue of bonds is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore, POWERGRID shall not be liable to refund the issue subscription(s)/proceed(s) in the event of total issue collection falling short of issue size or certain percentage of issue size.

**l) Denomination of Bonds**

Each Bond shall have a face value of Rs.10 Lakhs each.

Applicants should mention their Depository Participant's (DP) name, DP-ID and Client-ID (Beneficiary Account Number), clear and legible, in the appropriate place in the Application Form.

**m) DEPOSITORY ARRANGEMENT**

The Company has made depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for issue and holding of the Bonds in dematerialized form.

As per the provisions of Depositories Act, 1996, the Bonds issued by the Company can be held in a dematerialized form, i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. In this context:

Two tripartite agreements have been signed

1. Tripartite Agreement in April 2016 between POWERGRID, NSDL and MCS Share Transfer Agent Limited
2. Tripartite Agreement in April 2016 between POWERGRID, CDSL and MCS Share Transfer Agent Limited

An applicant applying for Bonds must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.





The applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application form under the heading 'Request for Bonds in Electronic Form'.

Bonds allotted to an applicant will be credited directly to the applicant's respective beneficiary account(s) with the DP.

Names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.

The address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP.

If incomplete/incorrect beneficiary account details are provided in the application form which does not match with the details in the depository system, the allotment of Bonds shall be held in abeyance till such time satisfactory demat account details are provided by the applicant.

In case the information is incorrect or insufficient, the Issuer will not be liable for losses, if any.

n) **PAYMENT OF INTEREST**

Interest would be payable annually from the date of allotment every year till the final date of redemption. The interest payable to each bondholder shall be paid by way of RTGS (in the bank account appearing in the Demat account).

In the absence of complete Bank Details i.e. Bank Account No., IFSC/RTGS Code/NEFT Code etc, Interest warrants will be dispatched at the address appearing in the Demat account at sole risk of bond holders. Such payments shall be made to the Bondholders whose names appear in the Register of Bondholders on the record date and in case of joint holders to the one whose name appears first in the Register of Bondholders.

In the event of the Corporation not receiving any notice of transfer on the record date i.e. 15 days before the interest payment date, the transferee(s) for the Bond shall not have any claim against the Corporation in respect of amount so paid to the registered Bondholders.

Wherever the signature(s) of such transferor(s) in the intimation sent to the Corporation is/are not in accordance with the specimen signature(s) of such transferor(s) available on the records of the Corporation, all payments on such



Bond(s) will be kept at abeyance by the Corporation till such time as the Corporation is satisfied in this regard.

No interest / interest on interest shall accrue on the Bonds after the date of maturity of the respective instruments.

**o) PAYMENT ON REDEMPTION**

The payment of the redemption amount of the Bonds will be made by the Company to the Registered Bond-holders recorded in the books of the Company and in the case of joint holders, to the one whose name appears first in the Register of Bondholders as on the record date. In the event of the Company not receiving any notice of transfer, before the record date, the transferee(s) for the Bond(s) shall not have any claim against the Company in respect to the amount so paid to the Registered Bondholders. The Bonds held in the Dematerialized Form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Bondholders whose name appears in the Register of Bondholders on the record date. Such payment will be a legal discharge of the liability of the Company towards the Bondholders. On such payment being made, the Company will inform NSDL/ CDSL and accordingly the account of the Bondholders with NSDL/ CDSL will be adjusted.

The Company's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the dates of such redemption.

On the Company dispatching the amount as specified above in respect of the Bonds, the liability of the Company shall stand extinguished.

**p) EFFECT OF HOLIDAYS**

If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payment would be as per the schedule originally stipulated at the time of issuing the security in line with SEBI circular No CIR/IMD/DF-1/122/2016 dtd. November 11, 2016.

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 preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.



Refer illustration given below:

CASH FLOW FOR POWERGRID BOND SERIES LXII (SECURED, NON-CONVERTIBLE, NON-CUMULATIVE, REDEEMABLE, TAXABLE BONDS IN THE NATURE OF DEBENTURE) OF (FACE VALUE OF ₹10 LAKHS PER BOND)						
Interest payment : Annually at 8.35% p.a. on 07th January each year , first Coupon on 07-01-2020						
Principal Payment: Redemption in five annual installments starting at the end of 6th, 7th, 8th, 9th and 10th year from the deemed date of allotment.						
CASH FLOW	DUE DATE ★	Day Count (Actual/Actual)	No. of days in Coupon Period	INTEREST AMOUNT	PRINCIPAL	TOTAL
1st Coupon	Tuesday, 7 January 2020	365/365	365	1672000000		1672000000
2nd Coupon	Thursday, 7 January 2021	366/366	366	1672000000		1672000000
3rd Coupon	Friday, 7 January 2022	365/365	366	1672000000		1672000000
4th Coupon	Saturday, 7 January 2023	365/365	365	1672000000		1672000000
5th Coupon	Monday, 8 January 2024	365/365	365	1672000000		1672000000
6th Coupon	Tuesday, 7 January 2025	366/366	366	1672000000		1672000000
Principal Redemption 20%	Tuesday, 7 January 2025		366		4000000000	4000000000
7th Coupon	Wednesday, 7 January 2026	365/365	365	1337600000		1337600000
Principal Redemption 20%	Wednesday, 7 January 2026		365		4000000000	4000000000
8th Coupon	Thursday, 7 January 2027	365/365	365	1003200000		1003200000
Principal Redemption 20%			365		4000000000	4000000000
9th Coupon	Friday, 7 January 2028	365/365	365	668800000		668800000
Principal Redemption 20%			365		4000000000	4000000000
10th Coupon	Saturday, 6 January 2029	365/366	366	333486339		333486339
Principal Redemption 20%			366		4000000000	4000000000
						0
<b>TOTAL</b>				<b>13375086339</b>	<b>20000000000</b>	<b>33375086339</b>
★ If the interest payment date falls on a holiday, the payment will be made on the following working day, in line with provisions contained in SEBI Circular CIR/IMD/DF-1/122/2016 dated November 11, 2016 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 preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment						

Investor should note that this example is solely for illustrative purposes

#### q) TAX DEDUCTION AT SOURCE

Tax applicable under the Income-Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/document, under section 193/194LD/195/196D/197/197A of the Income Tax Act, 1961, if any must be lodged in duplicate at the office of the Issuer, at least 15 days prior to the interest payment date. In case of tax deducted at source, the Company will issue the TDS certificate to the investors.

#### r) LOSS OF INTEREST WARRANTS

Loss of interest warrants should be intimated to POWERGRID. The issue of duplicate interest warrants would be governed by such conditions as may be prescribed by POWERGRID.

#### Purchase and Sale of Bonds (If Applicable)

The Corporation may, at any time and from time to time, purchase Bonds at the price available in the Capital Market in accordance with the applicable laws. Such Bonds may, at the option of the Corporation, be canceled, held or reissued at such a price and



on such terms and conditions as the Corporation may deem fit and as permitted by law.

#### **RE-ISSUE OF BONDS (If Applicable)**

Where the Corporation has redeemed any such Bonds, subject to the provisions of the Companies Act and other applicable provisions, the Corporation shall have and shall be deemed always to have had the right to keep such Bonds alive for the purpose of reissue and in exercising such right, the Corporation shall have and shall be deemed always to have had the power to re-issue such Bonds either by re-issuing the same Bonds or by issuing other Bonds in their place.

#### **s) TRANSFER OF BONDS**

All requests for registration of transfer, transmission, etc. along with appropriate documents should be sent to RTA – M/s MCS share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase-I, New Delhi - 110 020 or such other persons at such addresses as may be notified by the Company from time to time.

#### **MODE OF TRANSFER**

The Company is a Government Company and the bonds will be transferable in accordance with the prevailing Provisions of the Companies Act.

Bonds held in Electronic (Dematerialized) form shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depository/ Depository Participant of the transferor/transferee and any other applicable laws and rules notified in respect thereof.

#### **SUCCESSION**

In the event of demise of the sole/first holder of the Bond, the Corporation will recognize the Executor or Administrator of the deceased Bondholder, or a holder of Succession Certificate or other legal representative as having title to the Bonds. The Corporation shall not be bound to recognize such executor, administrator or holder, unless such executor or administrator obtains probate or letter of administration or such holder is the holder of a succession certificate or other legal representation, as the case may be, from a duly constituted Court in India. The Board of Directors, if in their absolute discretion think fit, may dispense with production of probate or letter of administration, in order to recognize such holder as being entitled to the Bonds standing in the name of the deceased Bondholder.

#### **t) SECURITY**

The Bonds will be secured by way of floating pari-passu charge on the assets of the Company. The charge will be created by way of Bond Trust Deed in such form and manner in one or more tranches and through one or more security documents as considered appropriate by the Company of value not less than 1.10 times the value of the Bonds outstanding.





The security will be created by the Company, as aforesaid in favor of the Trustees on such of the assets for which the Company obtains, after all due diligence and efforts, the requisite consents and permission applicable under law or in accordance with the contractual conditions of holding of such assets for creating the above-mentioned charge. The creation of such security shall be sufficient compliance of the Company's obligation to create security.

u) **SERVICING BEHAVIOR ON EXISTING DEBENTURES**

POWERGRID confirms that it has been regular in servicing all its past bonds.

v) **RIGHTS OF BONDHOLDERS**

The Bondholders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Bonds shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of the Corporation. The Bonds shall be subjected to other usual terms and conditions, as per the Memorandum and Articles of Association of the Corporation.

**MODIFICATION OF RIGHTS**

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a special resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution which modifies or varies the terms and conditions of the Bonds shall be operative against the Corporation, if the same are not accepted by the Corporation.

w) **FUTURE BORROWINGS**

The Corporation shall be entitled from time to time to make further issue of Bonds to the public, members of the Corporation and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets without any further approval from the Bondholders.

x) **BONDHOLDER IS NOT A SHAREHOLDER:**

The Bondholders will not be entitled to any of the rights and privileges available to the Equity Shareholders.

y) **TRUSTEES FOR THE BONDHOLDERS**

The Company has appointed IDBI Trusteeship Services Limited to act as Trustees for the Bondholders ("Trustees"). The consent letter of the trustee is enclosed in the Appendix, for reference. The Company and the Trustees has entered into a Trustee Agreement. The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized



officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the Bondholder(s). Any payment made by the Company to the Trustees on behalf of the Bondholder(s) shall discharge the Company pro tanto to the Bondholder(s).

The Trustees will protect the interest of the Bondholders in the event of default by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company.

**z) UNDERTAKING BY THE ISSUER**

The Issuer Company undertakes that:

- i. the complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily;
- ii. that all the steps for completion of the necessary formalities for listing and commencement of trading at Stock Exchange where the securities are to be listed shall be taken immediately after finalization of basis of allotment
- iii. Necessary co-operation to the credit rating agency (ies) shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.
- iv. That the company shall disclose the complete name and address of the debenture trustee in the annual report.
- v. That the company shall furnish a confirmation certificate to the debenture trustee (on yearly basis) that the security created by the company in favour of the Bond holders is properly maintained and is adequate enough to meet the payment obligations towards the Bond holders in the event of default

**aa) PROJECT COST AND MEANS OF FINANCING, IN CASE OF FUNDING NEW PROJECTS**

POWERGRID has estimated Capital Expenditure of Rs.25000 Crore for Financial Year 2018-19, on various projects being undertaken by it or through its subsidiaries. POWERGRID will use its own resources (Internal Resources) and borrowing (Domestic as well as external commercial borrowing) for financing projects and for general corporate purposes.



## DEBT EQUITY RATIO PRIOR TO AND AFTER ISSUE OF DEBT SECURITIES (Standalone Basis)

(Rs. in Crore)

Particular	Pre – Issue	Post Issue Rs	Crore
	As at 30.09.2018 (As per Ind AS)	As On #	
<b>Debt</b>			
Short Term Debt	3000.00		*
Long Term Debt	139504.60		
<b>Total Debt</b>	<b>142504.60</b>		
<b>Shareholder's funds</b>			
Share Capital	5231.59		
Free Reserves	51957.79		
<b>Total Shareholder's funds</b>	<b>57189.38</b>		
Long Term Debt/Shareholders Fund (Times)	<b>2.49</b>		

\* Will be submitted after receipt of subscription money.



## **ARRANGERS TO THE ISSUE**

1. A. K. Capital Services Ltd
2. Axis Bank Ltd
3. HDFC Bank Ltd
4. ICICI Bank Limited
5. IndusInd Bank Ltd
6. ICICI Securities Primary Dealership Limited
7. Kotak Mahindra Bank Limited
8. Trust Investment Advisors Pvt. Ltd
9. Yes Bank Limited

