

## Annexure-A

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

#### SUMMARY TERM SHEET FOR PRIVATE PLACEMENT OF POWERGRID Bonds-LXIX Issue 2021-22 (BOND 69<sup>TH</sup> ISSUE) IN THE NATURE OF DEBENTURES.

Series	POWERGRID Bonds-LXIX (69 <sup>th</sup> ) Issue 2021-22
Security Name	<b>6.05%</b> POWERGRID Un-Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable POWERGRID Bonds-LXIX Issue 2021-22
Issuer	Power Grid Corporation of India Limited ("Company/Corporation")
Type of Instrument	Unsecured, Non-Convertible, Non-Cumulative, Taxable, Redeemable bonds in the nature of debentures
Nature of Instrument	Unsecured
Seniority	Not applicable
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> <ul style="list-style-type: none"> <li>• <b><u>NO ARRANGER FEE IS PAYABLE</u></b></li> </ul>
Listing / Designated Stock Exchange	Proposed on NSE and /or BSE. NSE is proposed to be the Designated Stock Exchange.
Credit Rating	<b>"CRISIL AAA/Stable"</b> by CRISIL, <b>"[ICRA] AAA"</b> by ICRA and <b>"CARE AAA/Stable"</b> by CARE
Issue Size	Rs500Crore with Green shoe option up to Rs500Crore aggregating to Rs 1000 Crore
Base Issue Size	Rs 500Crore
Green Shoe Option	Rs 29.90Crore
Issue Subscribed	Rs 529.90Crore

Date of Passing Board Resolution	10 <sup>th</sup> August, 2020
Date of Passing resolution in the general meeting	22 <sup>nd</sup> September, 2020
Object of the Issue/ Purpose for which there is requirement of funds	100% For part financing of capital expenditure of the Company, wholly owned subsidiaries and JVs through Inter Corporate Loan(s) also.
Details of the utilization of the Proceeds	Utilisation certificate will be submitted to the Trustee as end of each quarter
Coupon Rate	6.05% p.a.
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Annually and along with maturity
Coupon payment dates	The first interest payment on 25-March-2023 and thereafter on 25-March every year and the last interest payment on 25-March-2027 along with maturity proceeds.
Coupon Type	Fixed
Coupon Reset Process	Not Applicable
Issuance Mode	In Demat mode only
Trading Mode	In Demat mode only
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
Default Interest Rate	As per SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10 <sup>th</sup> August, 2021 as amended from time to time
Tenor	05 years from Deemed Date of Allotment
Redemption Date	25-March-2027
Redemption Amount	At par (Rs. 10 lakhs) per Bond (Debenture)
Redemption/ Maturity	Redeemable at par, at the end of the 05 years from the date of allotment.
Premium/ Discount on redemption	Nil

Issue Price	Rs. 10 lakh per Bond (Debenture)
Premium on Issue	Nil
Discount on issue	Nil
Put Option	Not applicable
Put Option Date	Not applicable
Put Option Price	Not applicable
Call Option	Not applicable
Call Option Date	Not applicable
Call Option Price	Not applicable
Put Notification Time	Not applicable
Call Notification Time	Not applicable
Face Value	Rs 10 lakhs per Bond (Debenture)
Minimum Application	1 Bond of Rs 10 lakhs each and in multiple of 1 Bond Rs 10 lakhs each thereafter
Minimum Bid lot and in multiple thereafter	1 Bond of Rs 10 lakhs each and in multiple of 1 Bond Rs 10 lakhs each thereafter
<b><u>Proposed time schedule for bidding*:</u></b> Issue Timing 1. Initial Opening: Electronic Bidding at EBP 2. Closing: Electronic Bidding at EBP. 3. Pay-in-Date. 4. Deemed date of allotment	23-Mar-2022 11:30 AM  23-Mar-2022 12:30 PM  25-March-2022 (as per NSE operating guidelines)  25-March-2022 (subject of realization of cash as per NSE operating guidelines)
Mode of Issue	Private Placement under electronic book mechanism of NSE under SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10 <sup>th</sup> August, 2021 as amended from time to time, read with “Operation Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism” issued by NSE.
Mode of Subscription	SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10 <sup>th</sup> August, 2021 as amended from time to time, provision under Companies Act, 2013 and operational guidelines of NSE. Applicants shall make remittance of application money only through electronic transfer of funds through RTGS or other permitted electronic banking mechanism as per extant EBP guidelines.
Settlement mode of the Instrument	Through clearing corporation of EBP “National Securities Clearing Corporation Limited” (NSCCL)

Manner of Bidding	Closed Bidding
Manner of Allotment	Uniform yield allotment
Settlement cycle	T+2
Price at which the security is being offered including the premium	Rate as determined at EBP
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Trustees	IDBI Trusteeship Services Limited
Registrars	Beetal Financial & Computer Services Private Limited
Interest/Redemption payment dates	The first interest payment on 25-March-2023 and thereafter on 25-March every year and the last interest payment on 25-March-2027 along with maturity proceeds.
Record Date	Date falling 15 days prior to the relevant Coupon Payment Date or the Redemption Date on which interest amount or the Maturity Amount respectively, is due and payable. In the event that the Record Date falls on a Sunday/holiday, the preceding Day or a date notified by the Company to the stock exchanges shall be considered as the Record Date.
All Covenants of the issue (including side letters, accelerated payment clause, etc.)	<b>Refer to Annexure-2 of Term Sheet</b> All covenants to the issue shall be mentioned in the Debenture Trust Deed which will be executed within time frame prescribed under the SEBI (Debenture Trustee) Regulation, 1993, Companies Act and other applicable laws and regulations.
Security	The Debentures are Unsecured
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	N.A.
Transaction Documents	The Company has executed/ shall execute the documents including but not limited to the following in connection with the Issue: 1. Debenture Trustee Agreement; 2. Debenture Trust Deed; 3. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds/Debentures in dematerialized form; 4. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds/Debentures in dematerialized form; 5. Application to stock exchange for seeking in-principle approval for listing of Debentures; 6. Consents from Registrar and Trustee to the Issue.

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> <li>3. Application to Stock Exchange(s) for seeking its in-principle approval for listing of Debentures.</li> </ol>
Condition Subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Bonds-LXIX Issue:</p> <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(8) of the Companies Act, 2013, with the Registrar of Companies within fifteen days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014;</li> <li>3. Credit of DEMAT account(s) of the allottee(s) by number of Debentures allotted on the Deemed Date of Allotment</li> <li>4. Making listing application to NSE and/or BSE within 4 trading days from the Closure of Issue of Bonds and seeking listing permission in 4 trading days from the Closure of Issue of Bonds in pursuance of SEBI NCS Regulations/Circulars;</li> <li>5. Execution of Debenture Trust Deed within time frame prescribed in the relevant regulations/ act/ rules etc. and submitting the same with stock exchange(s) (NSE and/or BSE) within 5 working days of execution for uploading on its website in pursuance of SEBI NCS Regulations.</li> <li>6. The Company shall, till the redemption of Debentures, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information and auditor qualifications, if any, to the Trustees within the timelines as specified in SEBI (LODR). Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all</li> </ol>

	<p>‘Qualified Institutional Buyers’ (QIBs) and other existing Bond/Debenture holder(s) within two working days of their specific request.</p> <p>Besides, the Company shall perform all activities, whether mandatory or otherwise, as applicable.</p>
Events of Default (including manner of voting/ conditions of joining Inter Creditor Agreement)	<p><b>Refer to Annexure-1 of Term Sheet</b></p> <p>If the Company commits a default in making payment of any installment of interest or repayment of principal amount of the Debentures 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. Manner of voting/ conditions of joining Inter Creditor Agreement shall be mentioned in the Debenture Trust Deed which will be executed within time frame prescribed under the Companies Act.</p>
Creation of recovery expenses fund	Created vide BG No. 2451NDLG00072921 dated 04 <sup>th</sup> February, 2021 amounting to Rs.25,00,000/- issued by ICICI Bank in favor of NSE.
Conditions for breach of covenants	Shall be mentioned in the Debenture Trust Deed which will be executed within time frame prescribed under the Companies Act.
Cross Default	Not Applicable
Role and Responsibilities of Debenture Trustee	<p>The Trustees shall protect the interest of the Debenture holders in the event of default by the Company about timely payment of interest and repayment of principal and shall take necessary action at the cost of the Company. No Debenture holder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.</p> <p>The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI NCS Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, the Debenture Trust Deed, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Trustees shall ensure disclosure of all material events on an ongoing basis.</p>
Risk factors pertaining to the issue	Mentioned at Chapter on “Management perception to Risks Factors” of the private placement offer cum application letter.
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.
Name and address of the valuer who performed valuation of security offered, and basis on	

which the price has been arrived at along with report of the registered valuer	Not required (EBP Platform as provided by recognized stock exchanges is used for determination of coupon on private placement basis)
The class or classed of persons to whom the allotment is proposed to be made	Allotment on EBP platform as per guidelines of SEBI and recognized stock exchange
Payment of Interest and Redemption	Payment of interest and repayment of principal shall be made by way of cheque (s)/ interest warrant(s) / redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism and any other electronic payment mode to bank account of Investor (s).
Business Days/ Working Days	<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 SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10<sup>th</sup> August, 2021 as amended from time to time, 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 payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.</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.</p> <p>Refer illustration under heading “Effects of Holidays”</p>
Effect of holidays	<p>In line with SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10<sup>th</sup> August, 2021 as amended from time to time, 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 payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.</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,</p>



	the redemption proceeds shall be paid by the Issuer on the preceding Business Day along.
Number of persons to whom allotment on private placement has already been made during the year, in terms of number of securities as well as price	Nil (This is first issue during the FY 2021-22)
Additional Covenants of the issue	<p><b>i. Default in Payment:</b> In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Company shall pay additional interest of 2.00% per annum in addition to the respective Coupon Rate payable on the Bonds, on such amounts due, 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><b>ii. Delay in Listing</b> The Company shall complete all the formalities and seek listing permission from stock exchange(s) in 4 trading days from the Closure of Issue. In the event of delay in listing of Bonds beyond 4 trading days, except due to any technical reasons beyond the control of company, from the Closure of Issue, the Company shall pay penal interest of 1.00% per annum over the respective Coupon Rate from the Deemed Date of Allotment till the listing of Bonds to the Debenture holder(s)</p> <p><b>iii. Delay in execution of Debenture Trust Deed</b> The Company undertakes that it shall execute the Debenture Trust Deed, within time frame prescribed in the relevant regulations/ act/ rules etc. and submit with stock exchange(s) within five working days of execution of the same for uploading on its website. In case of delay in execution of Debenture Trust Deed, the Company will refund the subscription with agreed respective Coupon Rate or pay penal interest at the rate of 2.00% p.a. over the respective Coupon Rate till these conditions are complied with at the option of the investor.</p> <p>The interest rates mentioned in above three covenants shall be independent of each other.</p>
Relevant date with reference to which the price has been arrived at	Not Applicable
The change in control, if any, in the company that would occur	The issue is for Non-convertible bonds



consequent to the private placement	
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable
The pre-issue and post-issue shareholding pattern of the company	Not Applicable
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>
Remedies	<p>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.</p>
Validity of the Offer Letter	Till the date of closure of the Issue
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/P/CIR/2021/613 dated 10<sup>th</sup> August, 2021, 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.

**\* POWERGRID reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by POWERGRID. In case if the Issue Closing Date/ Pay in Dates is/are changed (preponed/ postponed), the Deemed Date of Allotment may also be changed (preponed/ postponed) by POWERGRID at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Dates may also be changed at the sole and absolute discretion of POWERGRID.**

**Note:** The principal and Interest amount of the Debentures is unsecured. The recovery of 100% of the amount of the Debentures shall depend on the market scenario prevalent at the time of enforcement.

If there is any change in Coupon Rate pursuant to any event then such new Coupon Rate and events which lead to such change shall be disclosed.

The list of documents which has been executed in connection with the issue and subscription of Debentures are set out in Annexure I of the Placement Memorandum.

The Issuer has provided granular disclosures in Placement Memorandum, with regards to the “Object of the Issue” including the percentage of the issue proceeds earmarked for each of the “Object of the Issue” in Annexure-I and Summary Term Sheet of the Placement Memorandum.

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

### **ISSUE SIZE**

Private Placement by Power Grid Corporation of India Limited of Unsecured, non-cumulative, non-convertible, redeemable, taxable Bonds of face value of Rs. 10,00,000 each for an amount of Rs. 500 crore with green shoe of Rs. 500 crore aggregating to Rs. 1000 crore (Series Bonds-LXIX) (“Issue Size”).

### **CREDIT RATING & RATING RATIONALE**

#### **CRISIL**

CRISIL vide letter dated 02nd March, 2022 has assigned “CRISIL AAA/Stable” (pronounced “CRISIL triple A rating with stable outlook”) rating to the Debentures being issued under the current placement. This rating indicates highest safety with regard to timely payment of interest and principal on the instrument. Copy of letter from CRISIL is enclosed elsewhere in this Offer Letter.

#### **ICRA**

ICRA vide letter dated 03rd March, 2022 has assigned “[ICRA] AAA (Stable)” (pronounced as “ICRA triple A” with outlook on the long term is stable) rating to the Debentures being issued under the current placement. This is the highest credit quality rating assigned by ICRA and indicates the lowest credit risk carried by the instrument. Copy of the letter from ICRA is enclosed elsewhere in this Offer Letter.

#### **CARE**

CARE vide letter dated 04th March, 2022 has assigned “CARE AAA; Stable” (pronounced as “CARE Triple A; Outlook Stable”) rating to the Debentures being issued under the current placement. This is the highest credit quality rating assigned by CARE and indicates the lowest credit risk carried by the instrument. Copy of the letter from CARE is enclosed elsewhere in this Offer Letter.

The above rating (s) are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc. Rating Rationale are as per Annexure. Ratings obtained by the POWERGRID are periodically reviewed by the credit rating agencies.

### **DEBENTURE TRUSTEE**

In accordance with the provisions of the Section 71 of Companies Act, 2013, Rules made there under and Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Company has appointed IDBI Trusteeship Services Ltd., to act as Trustees (“Trustees”) for and on behalf of the holder(s) of the Debentures. Debenture Trustee has given his consent for his appointment under applicable rules regulations of the Companies Act and regulations of SEBI, copy of letter from Trustee, conveying their consent to act as Trustee for the current issue of Debentures is enclosed elsewhere in this Private Placement offer cum Application Letter.

The Company hereby undertakes that a Trust Deed will be executed by it in favor of the Trustees. The Trust Deed will contain such clauses or be as near thereto as possible as may be prescribed under the Companies Act, 2013 and rules made there under and those mentioned

in the Securities and Exchange Board of India (Debenture Trustees) Regulations. Further the Trust Deed shall not contain any clause which has the effect of

- (i) limiting or extinguishing the obligations and liabilities of the Trustees or the Company in relation to any rights or interests of the holder(s) of the Debentures,
- (ii) limiting or restricting or waiving the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992); Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and circulars or guidelines issued by SEBI,
- (iii) indemnifying the Trustees or the Company for loss or damage caused by their act of negligence or commission or omission.

The Debenture holder(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 Debentures as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Debentures. Any payment made by the Company to the Trustees on behalf of the Debenture holder(s) shall discharge the Company pro tanto to the Debenture holder(s). The Trustees shall protect the interest of the Debenture holders in the event of default by the Company in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Company. No Debenture holder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.

#### **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 Debt Market segment of BSE 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:

- (a) It shall comply with conditions of listing as may be specified in the Listing Agreement with Stock Exchange(s).
- (b) Credit Ratings obtained by the Company shall be periodically reviewed by the credit rating agencies and any revision in the rating shall be promptly disclosed by the Company to Stock Exchange(s).
- (c) Any change in rating shall be promptly disseminated to the holder(s) in such manner as Stock Exchange(s) may determine from time to time.
- (d) The Company, the Trustees and Stock Exchange(s) shall disseminate all information and reports including compliance reports filed by the Company and the Trustees regarding the Debentures to the holder(s) and the general public by placing them on their websites.
- (e) Trustees shall disclose the information to the holder(s) and the general public by issuing a press release in any of the following events:
  - i. default by the Company to pay interest or redemption amount;
  - ii. revision of rating assigned;

- (f) The information referred to in para (e) above shall also be placed on the websites of the Trustees, Company and Stock Exchange(s).
- (g) Issuer would, till the redemption of the debt securities, submit the Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information and auditor qualifications, if any to the Trustee within the timelines as provided in SEBI(LODR) for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within two working days of their specific request.

### **SERVICING BEHAVIOR ON EXISTING DEBT SECURITIES AND OTHER BORROWINGS**

The Company hereby confirms that:

- a) The main constituents of the Company's borrowings have been in the form of borrowings from Banks and Financial Institutions, External Commercial Borrowings & Bonds/Debentures.
- b) The Company has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default.
- c) The Company has neither defaulted in repayment/ redemption of any of its borrowings nor affected any kind of roll over against any of its borrowings in the past.

### **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.

### **ABRIDGED AUDITED CONSOLIDATED AND STANDALONE FINANCIAL INFORMATION / SUMMARY OF FINANCIAL POSITION**

Refer Annexure attached to the document. Investors can also visit the following link on our website for detailed information on financials, auditor reports and comments:

<https://www.powergrid.in/annual-quarterly-results>

### **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.

## **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.

## **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 Beetal Financial & Computer Services Private Limited Ref No. dated 02th March, 2022 for acting as Registrars to the Issue.
- b) Letter of consent from IDBI Trusteeship Services Limited Ref No. 41331/ITSL/CL/2021-22/DEB dated 16<sup>th</sup> March, 2022 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.
1. Board Resolution of the 378 Meeting dated 10th August, 2020 authorizing issue of bonds offered under terms of this Document.
2. Special Resolution approved by Shareholders dated 22<sup>nd</sup> September, 2020 authorizing issue of bonds.
3. Letter of consent from Indian Overseas Bank Ref No. IOB0762/ADV/PGCIL-LXIX/2021-22 Dated 04th March, 2022 for acting as Banker to the Issue.
4. Letter from CRISIL conveying the credit rating dated 02nd March, 2022, for the Bonds of the POWERGRID and the rating rationale pertaining thereto.
6. Letter from ICRA conveying the credit rating dated 03rd March, 2022 for the Bonds of the POWERGRID and the rating rationale pertaining thereto.
7. Letter from CARE conveying the credit rating dated 04th March, 2022 for the Bonds of the POWERGRID and the rating rationale pertaining thereto.
8. Tripartite Agreement in April 2021 between POWERGRID, NSDL and Beetal Financial & Computer Services Private Limited.
9. Tripartite Agreement in April 2021 between POWERGRID, CDSL and Beetal Financial & Computer Services Private Limited.
10. In-principle approval for the Issue.



Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the Debenture holders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

## **OTHER DETAILS**

### **ELIGIBILITY TO MAKE THE ISSUE**

Our Company and persons in control of our Company have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

### **REGISTRATION, GOVERNMENT APPROVALS AND RESOLUTIONS**

The Issue is being made under SEBI NCS Regulations and Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time. The Company can undertake the activities proposed by it in view of the present approvals and no further approval from any government authority is required by it to undertake the proposed activities save and except those approvals which may be required to be taken in the normal course of business from time to time.

### **THE PRESENT ISSUE IS BEING MADE PURSUANT TO THE FOLLOWING:**

- i. Board Resolution of the 378 Meeting dated 10th August, 2020 authorizing issue of bonds offered under terms of this Document.
- ii. Special Resolution of the Shareholders of the Company passed under Section 42 and other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 in the 31<sup>st</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2020, approval be and is hereby granted to raise up to Rs.10000 Crore in domestic market during the Financial year 2021-22 for financing of capital expenditure, providing Inter Corporate Loan(s) to wholly owned subsidiaries, other purposes as may be approved by Board of Directors / Committee of Directors for Bonds and for general corporate purposes, in one or more tranches but not exceeding twenty tranches / offers through issue of secured / unsecured, non-convertible, cumulative/non-cumulative, redeemable, taxable / tax-free debentures (“Bonds”) under Private Placement.
- iii. Shareholder’s resolution in the 28<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> September 2017 pursuant to section 180(1)(c) of Companies Act 2013 to borrow money for the purposes of the business of the Company whether by way of Term Loan/Equipment Finance/Cash Credit Facilities or the like from time to time any sum or sums of money at its discretion from National/International Financial Institutions/Banks or from Public/Bodies Corporate or from Government Body/Corporation or Government of India or by way of issue of Bonds/Rupee Linked Bonds / other securities from Domestic/International/Overseas sources, on such terms and conditions arid with or without security as the Board of Directors may think fit, which together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Bankers of the Company in the ordinary course of business) shall not exceed in aggregate at any time Rs. 1,80,000 Crore (Rupees One Lakh Eighty Thousand Crore Only) irrespective of the fact that such aggregate amount of borrowings outstanding



at any one time may exceed the aggregate for the time being of the Paid Up Capital of the Company and its Free Reserves.

### **OBJECTS OF THE ISSUE**

The funds raised through this issue will be utilized for, inter alia, For part financing of capital expenditure of the Company, providing Inter Corporate Loan(s) to wholly owned subsidiaries, JVs and for other general corporate purposes.

### **UTILISATION OF ISSUE PROCEEDS**

In terms of the SEBI NCS Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of the Issue. The Board/Sub Committee of Board/Authorised officer shall monitor the utilisation of the proceeds of the Issue.

The Company is managed by professionals under the supervision of its Board of Directors. Further, the Company is subject to a number of regulatory checks and balances as stipulated in its regulatory environment. Therefore, the management shall ensure that the funds raised via this private placement shall be utilized only towards satisfactory fulfilment of the Objects of the Issue.

### **MINIMUM SUBSCRIPTION**

In terms of the SEBI NCS Regulations, the Issuer may decide the amount of minimum subscription which it seeks to raise by issue of Debentures and disclose the same in the offer document. The Issuer has decided not to stipulate any minimum subscription for the present Issue and therefore the Issuer shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

### **UNDERWRITING**

The present Issue of Debentures is on private placement basis and is not underwritten.

### **NATURE OF DEBENTURES (BONDS)**

The Debentures are to be issued in the form of Unsecured, Non-Cumulative, Non-Convertible, Redeemable, Taxable Debentures. The Debentures shall be issued under the Debenture Trust Deed which will be executed in favour of the Debenture Trustee and by payment of stamp duty on Debentures itself.

### **PRINCIPLE TERMS OF SECURITY**

Bonds are Unsecured.

### **FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTOR**

Each Bonds has a face value of Rs. 10,00,000/- each and is issued at par. Since there is no premium or discount on either issue price or on redemption value of the Bonds, the effective yield for the investors shall be the same as the coupon rate on the respective Bond series.

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.

### **TERMS AND MODE OF PAYMENT**

The full-face value of the Debentures applied for is to be paid through RTGS/other permitted electronic banking channels.

Face Value per Debenture Rs. 10,00,000/-	Amount Payable on Application per Debenture Rs. 10,00,000/-
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### DEEMED DATE OF ALLOTMENT

Interest on Debentures shall accrue to the Debenture holder(s) from and including Deemed Date of Allotment. All benefits relating to the Debentures will be available to the investor(s) from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to modify allotment date/ deemed date of allotment at its sole and absolute discretion without any notice. In case if the issue closing date is changed (preponed / postponed), the Deemed Date of Allotment may also be changed (preponed/ postponed) by the Company at its sole and absolute discretion.

### ISSUE OF LETTER OF ALLOTMENT(S)/DEBENTURE(S)

The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL)/ Central Depository Services (India) Ltd. (CDSL)/ Depository Participant will be given initial credit within 2 working days from the Deemed Date of Allotment. The initial credit in the account may be akin to the Letter of Allotment. On completion of all statutory formalities, such credit in the account will be akin to Debentures. The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

### REGISTRAR & TRANSFER AGENT

The Company has appointed Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, New Delhi-110062 [Tel No. (011) 29961281 and 29961282, Fax No. 011-29961284, E-mail: beetalrta@gmail.com as Registrars & Transfer Agent for the present debenture issue.

### 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 2021 between POWERGRID, NSDL and Beetal Financial & Computer Services Private Limited
2. Tripartite Agreement in April 2021 between POWERGRID, CDSL and Beetal Financial & Computer Services Private 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.

### **MARKET LOT**

The market lot will be one debenture of Rs.10, 00,000.00 (Rupees Ten Lakh Only) ("Market Lot"). Since the debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer.

### **TRADING OF DEBENTURES**

The marketable lot for the purpose of trading shall be one debenture i.e., in denomination of Rs 10 lakh. Trading would be permitted in DEMAT mode only and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In case of trading which has been made over the counter, the trades shall be executed and reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

### **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.

### **FICTITIOUS APPLICATIONS**

Attention of applicants is specifically drawn to the provisions of sub section (1) of section 38 of the Companies Act 2013, which is reproduced below:

"Any person who-

- (a) makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

- (c) otherwise induces directly or indirectly a Company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name”

**DETERMINATION OF COUPON:**

The Coupon has been decided based on bids received on EBP.

**BASIS OF ALLOCATION / ALLOTMENT:**

As approved by Competent Authority of the Company in line with EBP operating guidelines.

**INTEREST ON APPLICATION MONEY - Not Applicable**

**PAYMENT OF INTEREST**

The Debentures shall carry interest at the Coupon Rate from, and including, the Deemed Date of Allotment up to, but excluding the Redemption Date. Interest shall be payable on the “Coupon Payment Dates”, excluding such coupon payment date, on the outstanding face value amount of Debentures till Redemption Date, by way of RTGS/NEFT to the holders of Debentures as on the relevant Record Date.

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.

Interest on Debentures will cease from the Redemption Date in all events. No interest / interest on interest shall accrue on the Bonds after the date of maturity of the respective instruments For Coupon Payment Dates refer the Term Sheet. In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one-year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times.

**COMPUTATION OF INTEREST: DAY COUNT CONVENTION**




The interest shall be computed on the basis of Actual/Actual day convention as per term sheet.

**EFFECT OF HOLIDAYS**

If the interest payment date falls on a holiday, the payment will 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 Operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 17<sup>th</sup> December 2021. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.

If the Redemption Date (also being the last Coupon Payment Date) falls on a day that is not a Working Day, the redemption proceeds (including coupon payment) shall be paid on the immediately preceding Working Day along with interest accrued on Bonds.

The interest/redemption payments shall be made only on the days when the commercial banks are functioning in Delhi. For the purpose of interest and redemption payment refer working day definition in term sheet. An illustration for guidance in this regard is as per table below:

Company			Power Grid Corporation of India Limited				
Series			POWERGRID Bond LXIX(69th) Issue				
Face Value (per security)			Rs. 10,00,000				
Deemed Date of Allotment			25/March/2022				
Redemption Date			25/March/2027				
Coupon Rate			6.05%				
Frequency of the Interest Payment			Annually corresponding to the Deemed Date of Allotment				
Day Count Convention			Actual / Actual				
Interest payment : Annually at 6.05% p.a. on 25 March each year, first Coupon on 25-03-2023							
Principal Payment: Bonds are redeemable at par, at the end of 05 Years from the date of allotment.							
Cash Flow	Due Date 	Effective Date 	Day Count (Acutal/Actual)	No. of days in Coupon Period	Interest Amount	Redemption Amount	Total
1st Coupon	Saturday, 25 March 2023	Monday, 27 March 2023	365/365	365	320589500		320589500
2nd Coupon	Monday, 25 March 2024	Monday, 25 March 2024	366/366	366	320589500		320589500
3rd Coupon	Tuesday, 25 March 2025	Tuesday, 25 March 2025	365/365	365	320589500		320589500
4th Coupon	Wednesday, 25 March 2026	Wednesday, 25 March 2026	365/365	365	320589500		320589500
5th Coupon	Thursday, 25 March 2027	Thursday, 25 March 2027	365/365	365	320589500		320589500
Redemption of ISIN	Thursday, 25 March 2027	Thursday, 25 March 2027				5299000000	5299000000
TOTAL					1602947500	5299000000	6901947500
<div></div> <p>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 Operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 17th December 2021 .</p> <p>If the Redemption Date (also being the last Coupon Payment Date) falls on a day that is not a Working Day, the redemption proceeds (including coupon payment) shall be paid on the immediately preceding Working Day along with interest accrued.</p>							

**Investor should note that this example is solely for illustrative purposes**

The following table is indicative and only for illustration, does not reflect actual amount and dates. For convenience the cash flows have been reflected for face value of security i.e., of Rs. 10 lakh each. Also, only second and fourth Saturdays and all Sundays have been considered as holidays, the actual holidays may differ from year to year.

## **RECORD DATE**

Date falling 15 days prior to the relevant Coupon Payment Date or the Redemption Date on which interest amount or the Maturity Amount respectively, is due and payable. In the event that the Record Date falls on a Sunday or a holiday, the preceding day or a date notified by the Company to the stock exchanges shall be considered as the Record Date.

## **WORKING DAY**

When the commercial banks are open and functioning in Delhi.

## **TAX BENEFITS**

The holder(s) of the Debentures are advised to consider in their own case, the tax implications in respect of subscription to the Debentures after consulting their own tax advisor/ counsel.

## **DEDUCTION OF TAX AT SOURCE**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source from Interest on Application Money and/or Interest on Debentures, as applicable. For seeking TDS exemption/ lower rate of TDS, relevant tax exemption certificate/ declaration of non-deduction of tax at source on interest on application money and/or Interest on Debentures, should be submitted along with the application form. Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder(s) a Certificate of Tax Deduction at Source. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

## **REDEMPTION**

Debentures will be redeemed at par on the Redemption Dates. The Debenture will not carry any obligation, for interest or otherwise, after the date of redemption. The Debentures shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Debenture holders whose name appear in the Register of Debenture holders on the record date. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders.

## **SETTLEMENT/ 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.

### **LIST OF BENEFICIAL OWNERS /REGISTER OF BENEFICIAL OWNERS**

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be. The depositories shall maintain a register and an index of Beneficial Owners in the manner provided in relevant provisions of the Companies Act, 2013.

### **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.

### **WHO CAN APPLY?**

The following categories are eligible to apply for this private placement of Debentures:

All QIBs, and any non-QIB Investors specifically mapped by the Issuer on the EBP Platform, are eligible to bid / invest / apply for this Issue.

All participants are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue. Applicants are advised to ensure that Applications made by them do not exceed the investment limits that they are subject to under applicable statutory and/or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for or subscribing to the Debentures pursuant to the Issue.

However, out of the aforesaid class of investors eligible to invest, this Private Placement Offer cum Application Letter is intended solely for the use of the person to whom it has been sent by the Company for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities 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 Private Placement Offer cum Application Letter from the Company).

### **DOCUMENTS TO BE PROVIDED BY APPLICANT**

Investors need to submit duly certified true copies of the following documents, as may be applicable to them, along with the Application Form: -

- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- Board Resolution authorizing the investment and containing operating instructions;
- Power of Attorney/ relevant resolution/ authority to make application;



- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- Copy of Permanent Account Number Card (“PAN Card”) issued by the Income Tax Department;
- Copy of a cancelled cheque for ECS payments;
- Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.
- SEBI Registration Certificate (for Mutual Funds)/Recognition Certificate of Trust – Provident, Pension, Superannuation and Gratuity Fund

In addition to above, the investors may also attach such other documents as may be considered necessary by them. For investments made under Power of Attorney, certified true copy of notarized/registered Power of Attorney or other authority may also be submitted.

### **APPLICATION UNDER POWER OF ATTORNEY**

In case of application made under a Power of Attorney, the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws, as the case may be and the tax exemption certificate must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the application form, quoting the serial number of the application form and the Bank’s branch where the application has been submitted, at the office of the Registrars to the Issue after submission of the application form to the Banker to the issue or directly to Company as mentioned in the general instructions annexed to the Application Form, failing which the application is liable to be rejected. Further modifications/ additions in the power of attorney or authority should be notified to the Company or to its Registrars or to such other person(s) at such other address(es) as may be specified by the Company from time to time through a suitable communication.

### **MODE OF SUBSCRIPTION/ HOW TO APPLY**

This being a private placement offer, who has been addressed through this communication directly, only are eligible to apply.

### **PAYMENT MECHANISM**

**Successful bidders should do the funds pay-in to the bank account of the clearing corporation of the designated EBP.** Successful bidders must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date (“Pay-in Time”). Successful bidders should ensure to make payment of the subscription amount for the Debentures from their same bank account which is updated by them in the designated EBP Platform while placing the bids. In case of mismatch in the bank account details between designated EBP Platform and the bank account from which payment is done by the successful bidder, the payment would be returned.

Note: In case of failure of any successful bidders to complete the subscription amount payments by the Pay-in Time or the funds are not received in the Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will be liable to be rejected and POWERGRID shall not be liable to issue Debentures to such successful bidders.

**FUNDS PAYMENT TO THE ISSUER WOULD BE MADE BY CLEARING CORPORATION TO THE FOLLOWING BANK ACCOUNT OF POWERGRID:**

Bank: Indian Overseas Bank

Branch: Parliament Street, New Delhi

Bank Account No.: 076202000101726

IFSC Code No.: IOBA0000792

Mode: RTGS/Other permitted electronic banking channels

**PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

Application complete in all respects (along with all necessary documents as detailed in this Private Placement Offer Letter) must be submitted on /before the last date indicated in the issue time-table or such extended time as decided by the Issuer, accompanied by details/proof of remittance of the application money. Application for the Debentures must be in the prescribed format in Part-B of this offer and completed in BLOCK LETTERS in English. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants. The applicant should mention their Permanent Account Number (PAN) allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. if the investor does not submit Form 15AA/other evidence, as the case may be for non-deduction of tax at source. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention "Applied for" and in case the applicant is not assessed to income tax, the applicant shall mention 'Not Applicable' (stating reasons for non-applicability) in the appropriate box provided for the purpose. Application Form without this information will be considered incomplete and are liable to be rejected. Applicants are requested to tick the relevant column "Category of Investor" in the Application Format at Part-B of this offer cum application.

**SUBMISSION OF COMPLETED APPLICATION FORMS**

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

**FORCE MAJEURE**

The Company reserves the right to withdraw the issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Company reserves the right to change the Issue Schedule.

**RIGHT TO ACCEPT OR REJECT APPLICATIONS**

The Issuer reserves its full, unqualified and absolute right to accept or reject any Application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund if applicable, sent. The Application forms that are not complete in all respects are liable to be rejected and will not be paid any interest on the Application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- (i) Number of Debentures applied for is less than the minimum application size;
- (ii) Applications exceeding the issue size;
- (iii) Debenture holder account details not given;
- (iv) Details for issue of Debentures in dematerialized form not given; PAN/GIR and IT Circle/Ward/District not given;
- (v) In case of Applications under power of attorney by limited companies, corporate bodies, trusts, etc., if relevant documents not submitted;

In the event, if any Debenture(s) applied for is/are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

### **SIGNATURES**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

### **NOMINATION FACILITY**

Nomination facility is available as per provisions under Companies Act 2013.

### **DEBENTURE HOLDER NOT A SHAREHOLDER**

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

### **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.

### **FUTURE BORROWING**

The Company will be entitled to borrow/raise loans or avail of Financial Assistance in whatever form and to issue Debentures/Bonds/Notes/other Securities in any manner and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid-up capital on such terms and conditions as the Company may think appropriate without any consent of Bond/Debenture holders under any series.

### **DISPUTES & GOVERNING LAWS AND JURISDICTION**

Debentures shall be construed to be governed in accordance with Indian laws and rules framed there under. The Courts in New Delhi alone shall have exclusive jurisdiction in connection

with any dispute/difference between the Company and the Beneficial Owners of Debentures under these presents.

### **NOTICES**

The notices to the Beneficial Owners of Debentures required to be given by the Company shall be deemed to have been given if sent by Registered Post/ Speed Post/ Courier/Ordinary Post to the Registered Beneficial Owner of Debentures and /or if an advertisement is given in one All India English daily newspaper and one regional language newspaper and/ or if communication in this regard has been effected to the depositories. All notices to be given by the Beneficial Owners of Debentures shall be sent by Registered Post or by Hand Delivery to the Company or such persons, at such address, as may be notified by the Company from time to time.

### **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.

### **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.

### **TRANSFER OF BONDS**

All requests for registration of transfer, transmission, etc. along with appropriate documents should be sent to RTA – Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, New Delhi-110062 [Tel No. (011) 29961281 and 29961282, Fax No. 011-29961284, E-mail: beetalrta@gmail.com or such other persons at such addresses as may be notified by the Company from time to time.

### **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.

#### **DISCLOSURES PERTAINING TO WILFUL DEFAULTER**

- a. Name of the bank declaring the entity as a willful defaulter: [NA]
- b. The year in which the entity is declared as willful defaulter: [NA]
- c. Outstanding amount when the entity is declared as willful defaulter: [NA]
- d. Name of the entity declared as a willful defaulter: [NA]
- e. Steps taken, if any, for the removal from the list of willful defaulter: [NA]
- f. Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: [NA]
- g. Any other disclosure as specified by the board: [NA]

#### **PART - B (To be filed by the Applicant)**

- a. Name:
- b. Father's name (if applicable):
- c. Complete Address including Flat/House Number, street, Locality, pin Code:
- d. Phone number:
- e. Email ID:
- f. PAN Number:
- g. Bank Account Details:
- h. No. of debentures applied for:
- i. Amount Remitted (in Rs. Lakh):
- j. Category of Investor (QIB/Non-QIB):

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

(Rs. in Crore)		
Particular	<u>Pre – Issue</u> As at 30.09.2021 (As per Ind AS)	<u>Post Issue Rs</u> <u>529.90Crore</u> As on 25.03.2022
<b>Debt</b>		
Short Term Debt	0.00	6700.00
Long Term Debt	1,35,012.05	1,29,848.35
<b>Total Debt</b>	<b>1,35,012.05</b>	<b>1,36,548.35</b>
<b>Shareholder's funds</b>		
Share Capital	6,975.45	6,975.45
Free Reserves	70,246.65	70,246.65
<b>Total Shareholder's funds</b>	<b>77,222.10</b>	<b>77,222.10</b>
Long Term Debt/Shareholders Fund (Times)	<b>1.75</b>	<b>1.68</b>

- Exchange rate as on 24.03.2022 has been considered for conversion of outstanding Foreign Currency loan into INR.
- Drawl and repayment of Foreign Currency loan are as per actual in INR.
- Impact of Ind As has not been considered.
- Since account for Q4 of financial year 2021-22 is under finalization and audit, net worth as on 30.09.2021 has been considered.

## ARRANGERS TO THE ISSUE

1. A. K. Capital Services Limited
2. Trust Investment Advisors Private Limited
3. ICICI Securities Primary Dealership Limited

## **Annexure-1**

### **EVENTS OF DEFAULT**

If one or more of the events specified herein (hereinafter called “the Event(s) of Default” happen(s), the Trustees may, in their discretion, and shall, upon request in writing of the holders of the Bonds of an amount representing not less than three-fourths in value of the nominal amount of the Bonds for the time being outstanding or by a Special Resolution duly passed at the meeting of the Bondholders convened in accordance with the provisions set out in the Third Schedule hereunder written, by a notice in writing to the Company declare the principal of and all accrued interest on the Bonds to be due and payable forthwith:-

- i) Default is committed in payment of the principal amount of the Bonds on the due date(s);
- ii) Default is committed in payment of any interest on the Bonds on the due date(s);
- iii) Interest amount equivalent to yearly payment of interest has been in arrears;
- iv) Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the Financial Covenants and Conditions (other than the obligation to pay principal and interest) and, such default continues for thirty days after written notice has been given thereof by the Trustees to the Company requiring the same to be remedied;
- v) Any indebtedness of the Company for monies borrowed or to be borrowed through bonds becomes due prior to the stated maturity period of such bonds by reason of default of the terms thereof or any such indebtedness is not paid at their stated maturity;
- vi) If, there is reasonable apprehension that the Company is unable to pay its debts;
- vii) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;
- viii) If a Petition for winding up of the Company shall have been allowed or if an Order of a Court of Competent Jurisdiction is made for the winding up of a Company otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Trustees and duly carried into effect;
- ix) The Company is unable to or has admitted in writing its inability to pay its debts as they mature;
- x) A Receiver or a Liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company;
- xi) If certificate proceedings have been taken or commenced for recovery of any dues from the Company;
- xii) If, any extra-ordinary circumstances have occurred which make it improbable for the Company to fulfill its obligations under these presents and/or the Bonds;
- xiii) The Company ceases or threatens to cease to carry on its business or gives notice of its intention to do so;
- xiv) When any breach of the terms of the prospectus inviting the subscriptions of debentures or of the covenants of his deed is committed.



## **Annexure-2**

### **GENERAL COVENANTS.**

#### **I. Affirmative Covenants**

The Company hereby covenants with the Trustees that the Company will at all times (except as may otherwise be previously agreed in writing by the Trustees/Bond holders): -

- i) Carry out and conduct its business with due diligence and efficiency and in accordance with sound engineering, technical, managerial and financial standards and business practices with qualified and experienced management and personnel;
- ii) Utilise the monies raised by issue of the Bonds for carrying out the normal construction activities for various transmission schemes providing Inter Corporate Loan(s) to wholly owned subsidiaries and JVs and the Company shall furnish to the Trustees Auditor's Certificate showing the manner in which the said monies have been utilised;
- iii) At the end of each financial year procure and furnish to the Trustees a certificate from the Company's Statutory auditors in respect of the utilisation of funds raised by the issue of the Bonds;
- iv) Maintain and Keep proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and the business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its Registered Office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same shall at all reasonable times be open for inspection of the Trustees and such person or persons as the Trustees shall, from time to time, in writing for that purpose, appoint;
- v) Give to the Trustees or to such person or persons as aforesaid such information as they or he or any of them shall require as to all matters relating to the business, property and affairs of the Company and at the time of the issue thereof to the Shareholders of the Company furnish to the Trustees three copies of every report, balance sheet, profit and loss account, circulars or notices, issued to the Shareholders and the Trustees shall be entitled, if they think fit, from time to time, to nominate a firm of Chartered Accountant to examine the books of account, documents and property of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow any such accountant or agent to make such examination and investigation and shall furnish him with all such information as he may require and shall pay all costs, and expenses of and incidental to such examination and investigation as per Company's rules;
- vi) Permit the Trustees and such person, they shall, from time to time in writing for that purpose appoint to enter into or upon and to view the state and condition of all the Premises and pay all reasonable travelling, hotel and other expenses of any person whom the Trustees may depute for the purpose of such inspection and if the Trustees shall for any reason, that it is necessary to employ an expert then to employ such expert with the consent of the Company and to pay the fees and all traveling, hotel and other expenses of such expert as per the rules of the Company or as fixed by the Company;

- vii) Punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or due and payable by the Company as and when the same shall be due and become payable and when required by the Trustees produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company;
- viii) The Company covenants with the Trustees that it shall pay to the Bondholders the principal amount of the Bonds on the dates mentioned in the Financial Covenant and condition No. 3 and shall also pay interest (including compound interest where applicable) on the Bonds in accordance with provisions set out in the Financial Covenant and Condition No.2. Provided that if so called upon by the Trustees for Bondholders, the Company shall make payments as aforesaid to or to the order of or for the account of the Trustees at New Delhi and such payment shall be deemed to be in protanto satisfaction of the aforesaid covenant of the Company to make such payments to the Bondholders.
- ix) Diligently preserve its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Bonds is not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Bonds might or would be hindered or delayed;
- x) Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the laws for the time being in force in the State in which its properties are situated or otherwise, and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Trustees will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustees on demand;
- xi) Reimburse all sums paid or expenses incurred with the consent of the Company by the Trustees or any Receiver, Attorney, Manager, Agent or other person appointed by the Trustees with the consent of the Company for all or any of the purposes mentioned in these presents immediately on receipt of a notice of demand from them in this behalf. All such sums shall carry interest at the maximum lending rates of the All India Public Financial Institutions as prevailing from time to time as from the date when the same shall have been advanced, paid or become payable or due and as regards liabilities, the Company will, on demand, pay and satisfy such liabilities and if any sum payable under these presents shall be paid by the Trustees the Company shall, forthwith on demand, reimburse the same to the Trustees. Until payment or reimbursement of all such sums, the same shall be a charge upon the Mortgaged Premises in priority to the charge securing the Bonds;
- xii) Promptly inform the Trustees of all orders, directions, notices of court/Tribunal affecting or likely to affect the its assets and if it has notice of any judgment for winding

- up having been passed or otherwise of any suit or other legal process intended to be filed or initiated against the Company and affecting the title to the Company's properties or if a receiver is appointed of any of its properties or business or undertaking;
- xiii) Promptly inform the Trustees of the happening of any labour strikes, lockouts, shut-downs, fires or any event likely to have a substantial effect on the Company's profits or business and of any material changes in the rate of production or sales of the Company with an explanation of the reasons therefore;
- xiv) Promptly inform the Trustees of any loss or damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;
- xv) Forward a quarterly report to Trustees containing the following particulars: -
- (i) Updated Credit Rating
  - (ii) updated list of names and addresses of the debenture holders
  - (iii) details of interest due but unpaid and reasons thereof,
  - (iv) the number and nature of grievances received from debenture holders and resolved by the Company and those grievances not yet solved to the satisfaction of the Debenture Holders and the reasons for the same.
  - (v) a statement that the assets of the company which are available are sufficient to discharge the claims of the debenture holders as and when become due.

The Company shall, to the extent required under the debt listing agreement entered into between the Company and the NSE and /or BSE Ltd. / SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 submit to the NSE of India Ltd. (NSE) and / or BSE Ltd. for dissemination, along with the Quarterly financial results, a Quarterly communication, counter signed by the Debenture Trustee, containing, *inter alia*, the following information

- a. debt-equity ratio;
- b. debt service coverage ratio;
- c. interest service coverage ratio;
- d. outstanding redeemable preference shares (quantity and value),
- e. capital redemption reserve/debenture redemption reserve;
- f. net worth;
- g. net profit after tax;
- h. earnings per share;
- i. current ratio;
- j. long term debt to working capital;
- k. bad debts to Account receivable ratio;
- l. current liability ratio;
- m. total debts to total assets;
- n. debtors turnover;
- o. inventory turnover;
- p. operating margin;
- q. net profit margin;
- r. sector specific equivalent ratios, as applicable.

- xvi) Promptly inform Trustees of any major change in composition of its Board of Directors, which may amount to change in control as defined in SEBI (SAST) Regulations, 2011.
- xvii) Submit any such information as required by Trustees.
- xviii) Redress/resolve grievances of the bond holders expeditiously.
- xix) Promptly inform the Trustees of any change in nature and conduct of business before such change.
- xx) As required by the Trustees submit a valuation certificate issued by an independent valuer.
- xxi) The Company shall or cause the registrar and transfer agent to forward the details of debenture holders to the Debenture Trustee at the time of allotment and thereafter by the 7th (Seventh) Business Day of every next month in order to enable the Debenture Trustee to keep their records updated and to communicate effectively with the Debenture Holders, especially in situations where Events of Default are triggered.
- xxii) inform the Debenture Trustee of any amalgamation, merger or reconstruction scheme proposed by the Company.
- xxiii) The Company shall promptly provide to the Debenture Trustee promptly all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence and make the necessary disclosures on its website, in terms of Applicable Law, including but not limited to the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/23.
- xxiv) The Company shall also furnish to the Trustee a Quarterly/half yearly certificate regarding maintenance of hundred percent asset cover or asset cover as per the terms of offer document/Information Memorandum and/or Bond Trust Deed, including compliance with all covenants, in respect of listed non-convertible debt securities, by the Statutory Auditor, along with Quarterly/half yearly financial results in terms of SEBI (LODR) (Fifth Amendment) Regulations, 2020 dated 07<sup>th</sup> September, 2021 and SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021 dated 09<sup>th</sup> August, 2021.
- xxv) furnish the following documents/information/reports/certification, as applicable, to Bond Trustee to enable the Bond Trustee to submit the same to Stock Exchange(s) within the timelines mentioned below:

Reports/Certificate	Periodicity	Format
Asset cover Certificate	Quarterly basis within 60 days from end of each quarter	Annexure A as per SEBI Circular dated 12.11.2020

- xxvi) Bond Redemption Reserve and Recovery Expense Funds:

**Bond Redemption Reserve:**

The Company hereby agrees and undertakes that it would, if applicable, create and maintain out of the profits of the Company available for payment of dividend, a Bond Redemption Reserve as per the provisions of Section 71 of the Companies Act, 2013

read with Rule 18 of the Companies (Share Capital and Bonds) Rules, 2014 and other Applicable Law, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any Governmental Authority under Applicable Law in respect of creation of the Bond Redemption Reserve, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Bond Holders and shall also cause the same to be registered, where necessary. The Company shall submit to the Bond Holders (through the Bond Trustee) a certificate duly certified by its Statutory Auditor certifying that, the Company has transferred a suitable sum to the Bond Redemption Reserve and invested the monies lying therein as stipulated in the guidelines formulated (or modified or revised) by the central government or any other statutory or regulatory at the end of each financial year in accordance with the provisions of Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Bonds) Rules, 2014

### **Recovery Expense Fund**

The Company has created and shall maintain the Recovery Expense Fund in terms of the Regulation 15 (1) (h) of the SEBI (Bond Trustee) Regulation, 2020, Regulation 26 (b) (7) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated 09<sup>th</sup> August, 2021 and SEBI Circular dated 22nd October, 2020 in the manner as may be specified by the SEBI from time to time. Further, Company hereby agrees and undertake to comply with provisions of Recovery Expense Fund as per applicable laws.

### **u) Additional Covenant:-**

#### **1. Default in Payment and other Default: -**

In case of default in payment of interest and/or principal redemption on the due dates or observance of any other terms, conditions or covenants as per this Deed, Disclosure Document(s) in respect of a relevant tranche / series of the Debentures, additional interest/ default interest of atleast @ 2% p.a. or such other rate as may be prescribed under the Applicable Law over and above the applicable implicit yield / Coupon Rate/ Interest Rate will be payable by the Company for the defaulting period in respect of such tranche /series of the Debentures.

#### **2. Delay in Listed: -**

The Company shall complete all the formalities and seek listing permission from stock exchange(s) in 4 trading days from the Closure of Issue. In the event of delay in listing of Bonds beyond 4 trading days, except due to any technical reasons beyond the control of company, from the Closure of Issue, the Company shall pay penal interest of 1.00% per annum over the respective Coupon Rate from the Deemed Date of Allotment till the listing of Bonds to the Debenture holder(s).

V) The Company is aware that in terms of Regulation 14 of the SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time, the Trust Deed has to contain the matters specified in Section 71 of the Companies Act, 2013 and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Company hereby agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share

Capital and Debentures) Rules, 2014 as if they are actually and physically incorporated herein in this deed.

VI) In terms of Clause 3.2 of the SEBI Circular dated 23.06.2020, the Issuer hereby submit the following Bank Account details from which it proposes to pay the redemption amount and hereby pre-authorise Debenture Trustee to seek debt redemption payment related information from the said bank. The Issuer hereby submit a letter duly acknowledged by the said bank agreeing to provide debt redemption payment related information to the Debenture Trustee.

**Bank Account Details: -**

Sr. No.	Particular	Details
1	Name of Bank	IDBI Bank Limited
2	Account No.	011103000003834
3	Branch address	Tewari House 11- B, 8, Pusa Road, New Delhi Pin :110005
4	Email address	<a href="mailto:cmsdelimpltwo@idbi.co.in">cmsdelimpltwo@idbi.co.in</a> ; <a href="mailto:cmsgbg.delhi@idbi.co.in">cmsgbg.delhi@idbi.co.in</a>

The Issuer hereby further agrees and undertakes that it shall also inform the Debenture Trustee and Debenture Holders of any change in above bank details within 1 working day of such change”

**II. Negative Covenants:**

The Company hereby covenants with the Trustees that during the continuance of the Bonds, without the prior written approval of the Trustees, the Company shall not:

- a) pull down or remove any building or structure (except any temporary structure) on the lands or the fixed plant or machinery attached to earth or permanently fastened with anything attached to the earth or any of them without the previous consent in writing of the Trustees except in the ordinary course of repair and maintenance or improvement or replacement or otherwise in the course of and for the purposes of charging on the business of the Company and the Company will in such case forthwith restore or procure to be restored such building, structure, plant and machinery attached to earth or permanently fastened with anything attached to the earth as the case may be, or replace the same or procure the same to be replaced by others of a similar nature and of at least equal value;
- b) declare or pay any dividend to its Shareholders during any financial year unless it has paid the installment of principal and interest then due and payable on the Bonds, or has made provision satisfactory to the Trustees for making such payment. No permission of the Trustees is required if there is no default;

- III. The Company shall inform the Trustees at least once in year the broad details of the new project, diversification, modernisation or substantial expansion of any project undertaken by it during the financial year.