

APPFCL TERM SHEET

ISSUE DETAILS

Security Name	APPFCL NCD Issue - Series II / 2020-21
Issuer	Andhra Pradesh Power Finance Corporation Limited
Type of Instrument	Unsecured, Un-Rated, Redeemable, Taxable Non-Convertible Bonds; supported by Unconditional & Irrevocable Guarantee by the Government of Andhra Pradesh as a principal debtor & not merely as surety. Interest and principal will be serviced by Govt. of Andhra Pradesh fully, throughout the tenure of the issue.
Nature of Instrument	Unsecured
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	<p>Applications by QUALIFIED INSTITUTIONAL BUYERS ("QIBS"):</p> <ul style="list-style-type: none">a. Mutual Funds, QIFs (Non-individual), FPIs (Non-individual);b. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;c. Scheduled Commercial Banks;d. State Industrial Development Corporations;e. Insurance companies registered with the Insurance Regulatory and Development Authority;f. Provident Funds and Pension Funds with minimum corpus of Rs. 25.00 crore;g. National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;h. Insurance funds set up and managed by army, navy or air force of the Union of India. <p>Applications by "NON - QIBS":</p> <ul style="list-style-type: none">a. Companies and Bodies Corporate authorized to invest in bonds/debentures;b. Co-operative banks and Regional Rural Banks authorized to invest in bonds/debentures;c. Gratuity Funds and Superannuation Funds;d. Provident Funds and Pension Funds with corpus of less than Rs. 25.00 crore;e. Societies authorized to invest in bonds/debentures;f. Trusts authorized to invest in bonds/debentures;g. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/debentures;

	However, as Bonds are being issued towards support / augment the resources for power sector in the state of AP. APPFCL Board has approved to allot these bonds to the investors as enclosed in the annexure - 1.
Non- Eligible classes of investors	<ol style="list-style-type: none"> 1. Minors without a guardian name (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian); 2. Non-resident investors being an individual including NRIs, QFIs (Individual) and FPIs (individual); 3. Venture Capital Fund and Foreign Venture Capital Investor; 4. Overseas Corporate Bodies; and 5. Person ineligible to contract under applicable statutory/regulatory requirements. 6. Hindu Undivided Families; 7. Resident Individual Investor
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	This is an unlisted bond issue and hence the Issuer would not be listing the Issue on any Stock Exchange. However, the Issuer retains the right to move for listing of these bonds on any recognized Stock Exchange in future and then it would comply with all the relevant applicable provisions.
Issue Size	Up to 2000 Crore
Objects of the Issue	Bonds are being issued towards support / augment the resources for power sector in the state of AP. APPFCL Board has approved to allot these bonds to the investors as enclosed in the annexure 1.
Details of the utilization of the Proceeds	Bonds are being issued towards support / augment the resources for power sector in the state of AP. APPFCL Board has approved to allot these bonds to the investors as enclosed in the annexure 1.
Coupon Rate	8.2%
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Quarterly
Coupon payment dates	29/10, 29/01, 29/04, 29/07
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	None

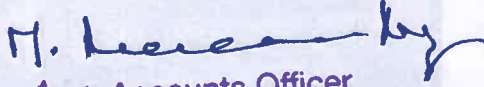
Day Count Basis	"Actual/ Actual" basis
Interest on Application Money	Not Applicable
Default Interest Rate	In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the respective Coupon Rate payable on the bonds, on such amounts due, for the defaulting period.
Tenor	8 years tenure and partially redeemable in quarterly instalments commencing from 3 rd year @ 4.166%.
Redemption Date	Partially redeemable in quarterly instalments commencing from 3 rd year @ 4.166%.
Redemption Amount	At par (Rs. 10 Lakhs) per bond
Redemption Premium /Discount	N.A.
Issue Price	At par (Rs. 10 Lakhs) per bond
Face Value	At par (Rs. 10 Lakhs) per bond
Discount at which security is issued and the effective yield as a result of such discount.	N.A.
Put option Date	N.A.
Put option Price	N.A.
Call Option Date	Yes
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Minimum Application and in multiples of Debt securities thereafter	One Bond and in multiple of one bond there after
Basis of Allotment (if any)	The Issuer reserves the right to reject any/all applications fully or partially at its sole discretion, without assigning any reason whatsoever.
Issuance mode of the Instrument	Demat mode
Trading mode of the Instrument	Demat mode
Settlement mode of the Instrument	Payment of Interest and Redemption Amount of the Debentures shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ ECS/ RTGS/ NEFT or any other online payment mechanism allowed by the Banks

Business Day Convention	<p>Means a day (other than a Sunday and Saturday or a Bank holiday on which banks are open for general business in Mumbai#.</p> <p>1. If the interest payment date falls on a holiday, the payment may be made on the preceding 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 preponed earlier because of it having fallen on a holiday.</p> <p>2. If the Redemption Date and Coupon Payment Date of the debentures falls together on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on previous working Business Day along with interest accrued on the debentures until but excluding the date of such payment.</p> <p>#In terms of the SEBI Circular No. CIR/MD/DF-1/122/2016 Dated 11 November, 2016, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai and Vijayawada.</p>
Record Date	<p>15 days prior to each coupon payment date / call option due date and redemption date.</p> <p>In the event the record date falls on a day which is not a business day, the immediately succeeding business day will be considered as Record date.</p>
Depository	National Securities Depository Limited and Central Depository Services (India) Limited.
Security (where applicable)	N.A.
Transaction Documents	Information Memorandum
Conditions Precedent to Disbursement	-
Condition Subsequent to Disbursement	-
Events of Default	<p>i. In the event that the APPFCL Bond Servicing Account is not funded by the GoAP and/or the Company by the Final Funding Date(T-5)</p> <p>ii. Any failure on behalf of Issuer to perform or comply with one or more of its material obligations in relation to the bonds issued in pursuance of terms and conditions stated in the Disclosure Document.</p>
Collateral Support Structure	The bonds would have collateral support by way of Unconditional & Irrevocable guarantee as a continuing obligation by the Government of Andhra Pradesh as a principal debtor & not merely as a surety.
Escrow Account	The Issuer would be required to open a designated escrow account - "APPFCL Bond Series II/2020".

Permitted Investments	The funds in this Escrow Account till such time being utilized would be allowed to be invested in permitted investments i.e. (i) Fixed Deposits with Scheduled Commercial Banks with a minimum Credit Rating of AA, and/ or (ii) in units of liquid mutual funds having the highest possible investment grade rating.
Structured Payment Mechanism	<p>The Issuer and/or Government of Andhra Pradesh shall fund the - "APPFCL Bond Series II/2020" to the extent of the next bond servicing obligation (Interest and Principal) at least 5 days prior (T-5) to the quarterly servicing date.</p> <p>Any fund support from the State Government should be by way of direct transfer from the State Government Account to - "APPFCL Bond Series II/2020" and should not be routed through any other account of APPFCL.</p> <p>If any of the milestone days mentioned in the T-structure above happens to be a holiday/ bank's closing day, the immediate preceding bank working day would be the deemed date for execution of the relevant action.</p>
Guarantor and Principal Debtor	Government of Andhra Pradesh
Additional Covenants	<p>1. Default in payment: In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the Coupon Rate will be payable by the Organization for the defaulting period on defaulted amount.</p> <p>2. Allotment of securities: As per Company Act 2013 under section 42 (6) of the Act, the Company shall allot the Debentures/ Bonds within (60) sixty days from the date of receipt of the application money for such Debentures/ Bonds and if the Company is not able to allot the Debentures/ Bonds within such period, it shall repay the application money to the subscribers within fifteen days from the date of completion of (60) sixty days and if the Company fails to repay the application money within the aforesaid period, it shall be liable to repay such money with interest at the rate of 12% p.a. from the expiry of the sixtieth day.</p> <p>On the happening of any of the event of default, in addition to the rights specified above, the debenture Holder/s shall have the right as indicated.</p>
GUARANTEE DEED EXECUTION	Guarantee Deed will be executed in favour of Bond Holders/Lenders.
Provisions related to Cross Default Clause	N.A.

Role and Responsibilities of Debenture Trustee	N.A.
Governing Law and Jurisdiction	The debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising Thereof shall be subject to the exclusive jurisdiction of the courts of Amaravati, Andhra Pradesh.
Debenture Trustee Registrar	N.A.
	KFin Technologies Private Limited


* ISSUE TIMING *	
Issue Opening Date	23.04.2020
Issue Closing Date	29.07.2020
Pay-in Date	No pay in date is required
Deemed Date of Allotment	29.07.2020


Asst. Accounts Officer
Andhra Pradesh Power Finance
Corporation Limited
Gunadala, Vijayawada.

ANNEXURE - 1**ALLOTMENT OF BONDS**

SL. NO	HOLDER	BONDS	Amount in Crs
1	APGENCO PENSION AND GRATUITY TRUST	4074	407.40
2	APEPDCL PENSION AND GRATUITY TRUST	1470	147.00
3	APSPDCL PENSION AND GRATUITY TRUST	3000	300.00
4	APGENCO PROVIDENT FUND TRUST	107	10.70
5	AP SOLAR POWER CORPORATION	1000	100.00
6	AP POWER DEVELOPMENT CORPORATION LIMITED	2100	210.00
7	AP GENCO	6601	660.10
8	AP EPDCL PROVIDENT FUND TRUST	78	7.80
9	AP TRANSCO PENSION AND GRATUITY TRUST	938	93.80
10	AP TRANSCO PROVIDENT FUND TRUST	178	17.80
11	AP TRANSCO EARNED LEAVE ENCASHMENT TRUST	418	41.80
12	AP TRANSCO GRATUITY TRUST	36	3.60
	GRAND TOTAL	20,000	2000.00

- Face value of each bond is of Rs. 10,00,000/-


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