SBICAP Trustee

SBICAP Trustee Company Ltd.

Ref. No.79 /STCL/Legal/2023-24 **06th April,2023**

To,

Securities and Exchange Board of India Plot No. C 4-A, G Block, NearBank of India, Bandra Kurla Complex, Bandra East Mumbai 400051	**BSE Limited** Phiroze Jeejeebhoy Towers DalalStreet, Mumbai-400001	**National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051

Dear Sir/Madam,

Andhra Pradesh Power Finance Corporation Ltd ("Issuer"/ "Company")
Event of Default under the Modification-Cum-Accession Agreement ("Agreement") executed from time to time.

We refer to the various Modification-Cum-Accession Deed dated 13th July 2017 entered between the Company, State Bank of India, and SBICAP Trustee Company Limited ("STCL" / "Debenture Trustee") and Modification-Cum-Accession Agreement dated 24th November 2017 entered between Company, State Bank of India, The Governor of Andhra Pradesh and STCL vide which the Company has issued Listed, Unsecured, Non-convertible, Taxable Bond ("NCDs") aggregating to Rs. 5644.60 crores bearing ISIN INE847E09029, INE847E08DK6, INE847E08DM2, INE847E08DN0, INE847E08DO8, INE847E08DP5, INE847E08DQ3.

The payment of interest & Principle on the Bonds issued under INE847E08DK6 and INE847E08DM2 was due on 01.04.2023.

Vide In an email dated 05.04.2023 (copy enclosed for information), the Company has informed us that it has defaulted in payment of interest due on 01.04.2023 on the Bonds issued under the ISIN INE847E08DK6 and INE847E08DM2, thereby stating the reason that funds are not yet released by Telangana and Andhra Pradesh Government..

The Government of Andhra Pradesh has offered an unconditional guarantee for servicing of Interest and Redemption to the Bondholders.

In view of the above and considering the earlier defaults/delay in payments, non-submission of quarterly reports and other details as required under applicable laws and the Company has unilaterally decided to make the payment of due interest and repayment of principal to some of the bond holders and the Company has informed that the unpaid / remaining bond holders will be paid by Telangana State Power Finance Corporation Limited, it is proposed to convene an ISIN-wise virtual meeting of the bondholders on 04-05-2023 from 03:00 PM onwards under ISIN INE847E09029, INE847E08DK6, INE847E08DM2, INE847E08DN0, INE847E08DO8, INE847E08DP5, INE847E08DQ3 for considering whether: -

A. Positive consent for proceeding with the enforcement of the security i.e., the Government Guarantee; or
B. Negative consent for proceeding with the enforcement of security i.e., the Government Guarantee; or
C. Such other action as may be decided by the Bondholders in the meeting.

Further, it may be noted that the enforcement of security by the Bond Trustee will be undertaken only upon the passing of the resolution as mentioned in item no. 1 above, by the Bondholders representing not less than 75% of the outstanding Bonds by value and 60% of the Bond Holders by the numbers per ISIN wise.

In case requisite consents are not received for enforcement of security then the Bond Trustee shall take further action, if any, as per the decision taken in the meeting of the Bond Holders.

However, please note that in case the default is cured before the date of the proposed meeting, then the meeting shall stand canceled.

The voting link will be shared and hosted on our website.

For SBICAP Trustee Company Limited

Authorized Signatory 06.04.2023