

Ref. No. | 968/STCL/DT/2022-23

04th July 2022

To,

Bond Holders

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 Agreements entered into between the Company, the Governor of Andhra Pradesh, State Bank of India, and SBICAP Trustee Company Limited ("STCL" / "Debenture Trustee") vide which the Company has issued Listed, Unsecured, Non-convertible, Taxable Bond ("NCDs") aggregating to Rs.5650.50 crores bearing ISIN INE847E09029, INE847E08DK6, INE847E08DM2, INE847E08DO8, INE847E08DP5, INE847E08DQ3.

The payment of interest on the Bonds issued under ISIN INE847E08DO8 and INE847E08DP5 was due and payable on 1st July 2022.

Vide email dated 04th July 2022 (copy enclosed for information), the Company has informed us that it has partially defaulted in payment of interest on 01.07.2022 on the Bonds issued under the ISIN INE847E08DO8 and INE847E08DP5 (i.e., Company has paid its share of the interest on 01st July 2022 but has defaulted in payment of the share of Telangana Power Finance Corporation Ltd).

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

In view of the above, it is proposed to convene a meeting of debenture holders on 29th July 2022 at 3 PM under ISIN INE847E09029, INE847E08DK6, INE847E08DM2, INE847E08DO8, INE847E08DP5, INE847E08DQ3 for considering whether: -

A. enforcement of the Government Guarantee be taken up; - or



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- B. positive consent for signing the ICA signed / to be signed between the Issuer and its Lenders for and on my / our behalf, by execution of ICA / Deed of Accession in the format provided / to be provided in the ICA: - or .
- C. Such other action as may be decided by the debenture holders.

The link convening the meeting will be sent to the debenture holders shortly.

Further, please note that the consent of the majority of bondholders for convening the meeting shall mean the approval of not less than 75% of the investors by the value of the outstanding debt and 60% of the Bondholders by number at the ISIN level.

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

For SBICAP Trustee Company Limited


Authorised Signatory