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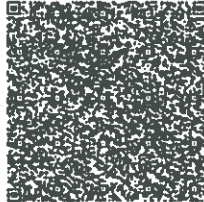
Government of National Capital Territory of Delhi

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₹100

Certificate No.	: IN-DL81405219748577V
Certificate Issued Date	: 27-Mar-2023 12:28 PM
Account Reference	: SELFPRINT (PU)/ dl-self/ NEHRU/ DL-DLH
Unique Doc. Reference	: SUBIN-DL-DL-SELF34410525636278V
Purchased by	: PFC LIMITED
Description of Document	: Article 5 General Agreement
Property Description	: DEBENTURE TRUST DEED FOR BOND SERIES 226 A AND B
Consideration Price (Rs.)	: 0 (Zero)
First Party	: POWER FINANCE CORPORATION LIMITED
Second Party	: BEACON TRUSTEESHIP LIMITED
Stamp Duty Paid By	: POWER FINANCE CORPORATION LIMITED
Stamp Duty Amount(Rs.)	: 100 (One Hundred only)

₹100



SELF PRINTED CERTIFICATE TO BE  
VERIFIED BY THE RECIPIENT AT  
WWW.SHCIESTAMP.COM

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Please write or type below this line

**DEBENTURE TRUST DEED**

This Debenture Trust Deed (the "Trust Deed"/"Deed") made at New Delhi on this 27<sup>th</sup> day of March' 2023;

**BETWEEN**

**Power Finance Corporation Ltd.**, a company incorporated under the Companies Act, 1956 and a Government of India Undertaking with CIN L65910DL1986GOI024852 and its registered office at "Urjanidhi 1, Barakhamba Lane, Connaught Place, New Delhi-110001, (hereinafter called "the Company"/"the Issuer", as the company may admit, which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns of the ONE PART;

**Statutory Alert:**

1. The authenticity of this Stamp certificate may be verified at [www.shciestamp.com](http://www.shciestamp.com) or using e-Stamp Mobile App.
2. Any discrepancy in the details of this Certificate when checked on the website / Mobile App renders it invalid.
3. The onus of checking the legitimacy is on the user of the website / Mobile App.
3. In case of any discrepancy please inform the Competent Authority.



AND

**BEACON TRUSTEESHIP LIMITED**, a company incorporated under the provisions of the Companies Act, 2013 with corporate identity number U74999MH2015PLC271288 and having its registered office and corporate office at 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East) Mumbai – 400 075 and branch office at Allied House, Plot No. 5 and 6, Shopping Complex, B-7, Vasant Kunj, Nelson Mandela Marg, New Delhi – 110070, (hereinafter referred to as the “Trustee”/“Debenture Trustee”, as the context may admit, which expression shall, unless repugnant to the context or meaning thereof, deem to include its successors and assigns) of the **OTHER PART**.

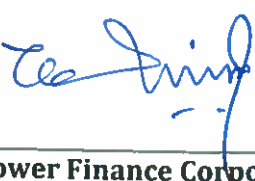


The Company and the Debenture Trustee are hereinafter individually referred to as a “Party” and collectively as “Parties”.

**WHEREAS:**

- I. The Company is duly incorporated and validly existing under the laws of India and is a financial institution focused on the power sector. The details of the authorised, issued, subscribed and paid-up share capital of the Company as on 31<sup>st</sup> March, 2022 is as under:

Share Capital	In Rupees/ crore
<b>Authorised Share Capital</b>	
1100,00,00,000 Equity Shares of face value of Rs. 10/- each & 200000000 Preference shares of Rs. 10/- each	11200.00
<b>Total Authorised Share Capital</b>	11200.00
<b>Issued, Subscribed and Paid-up share capital</b>	
264,00,81,408 Equity Shares of Rs. 10/- each	2640.08




- II. The Company proposes to issue listed, unsecured, redeemable, non-convertible debentures up to an amount of Rs. 2,500 crore (Rupees Two Thousand Five Hundred Crore) including Rs. 500 crore as Base Issue and Rs. 2000 crore as Green Shoe Option under series 226A on private placement basis and to issue listed, unsecured, redeemable, non-convertible debentures up to an amount of Rs. 1,700 crore (Rupees One Thousand Seven Hundred Crore) including Rs. 500 crore as Base Issue and Rs. 1200 crore as Green Shoe Option under series 226B on private placement basis, in accordance with the provisions of the Companies Act 2013 as amended from time to time, and Rules made there under, as amended from time to time (“Companies Act”) and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time (“SEBI NCS Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (SEBI LODR Regulations), SEBI Circulars and subject to compliance with any other law, regulations, rules and directions issued by the Government of India or any other regulatory or statutory authority, in this regard;
- III. With a view to meet the Company’s requirements for the Object (as stated in the First Schedule hereunder written), the Company being duly empowered by its Memorandum of Association and Articles of Association, and pursuant to the authority granted by the resolution of the Board of the Company passed at its meeting held on 28<sup>th</sup> February’2022 and the shareholders’ resolution passed under section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits in the annual general meeting dated 29<sup>th</sup> September’2020 intends to issue listed, unsecured, redeemable, senior, non-convertible, taxable bonds in the nature

 	
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of debentures of face value of Rs 1 lac for series 226A (10 years and 19 days with PUT option at the end of 3 years and 19 days) for cash at par of Rs. 500 crore ('base issue') with option to retain oversubscription by way of green shoe option of Rs. 2000 crore aggregating to Rs. 2500 crore ('issue size') on private placement in a dematerialized form out of which Rs. 1200 crore was retained and to issue listed, unsecured, redeemable, senior, non-convertible, taxable bonds in the nature of debentures of face value of Rs 1 lac for series 226B (10 years and 19 days) for cash at par of Rs. 500 crore ('base issue') with option to retain oversubscription by way of green shoe option of Rs. 1200 crore aggregating to Rs. 1700 crore ('issue size') on private placement in a dematerialized form out of which Rs. 583.50 crore was retained (hereinafter referred "**Debentures**"/"**NCDs**"/ "**Bonds**", as the context may admit), for the purpose of augmenting the resources of PFC for meeting fund requirement ["**Issue(s)**"] in accordance with the terms and conditions contained in the respective Private Placement Memorandum [hereinafter referred as "**Placement Memorandum (PM)**"/ **Disclosure Documents (DDs)**"], this Deed and the Transaction Documents (as defined hereinafter);

All Debentures shall be redeemed on Redemption Dates and in accordance with the applicable terms and conditions contained in the respective Placement Memorandum (PM).

- IV. In accordance with the terms of issue, the Debentures shall be listed on the Stock Exchange(s) as per the terms contained in the Placement Memorandum. The Company undertakes to obtain approval of the exchange and all other necessary approvals from any other authority and to comply with all laws, rules and regulations as may be applicable in this regard.
- V. The Company has entered into an agreement with depositories viz. National Securities Depository Limited (NSDL) and/or Central Depository Services (India) Limited (CDSL) for the issuance of Debentures in dematerialised form;
- VI. The Debenture Trustee is registered with the Securities and Exchange Board of India (SEBI) as a debenture trustee under the SEBI (Debenture Trustee) Regulations, 1993, as amended from time to time, and pursuant to the Consent letter dated 03<sup>rd</sup> March, 2023 has agreed to act as a debenture trustee, in trust for the benefit of the Debentureholders. The Debenture Trustee and the Company have entered into a Debenture Trustee Agreement 31<sup>st</sup> March' 2022 whereby the Company has appointed the Debenture Trustee and the Debenture Trustee has agreed to act as trustee for the benefit of the Debentureholder(s) and for purposes related thereto. Under the Debenture Trustee Agreement, the Parties have also agreed to execute this Debenture Trust Deed;
- VII. Accordingly, the Debenture Trustee has called upon the Company to execute this Deed being these presents, pursuant to which the Debentures are being issued, and accordingly these presents shall record the various terms, conditions and stipulations as well as the Company's obligations in respect of the Debentures including redemption of the Debentures, payment of interest, remuneration of the Trustee and all costs, charges, expenses and other monies in accordance with the terms of the issue, conditions of appointment of the Debenture Trustee and the Company has agreed to do so in the manner set out hereinafter.
- VIII. This Deed comprises of two parts, Part A containing statutory/standard information pertaining to the Debentures and Part B containing details specific to the Debentures, in accordance with the the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time. Part A shall always be read together with provisions of Part B.

  <p><b>Power Finance Corporation Ltd (BS 226 A&amp;B)</b></p>	 <p><b>Beacon Trusteeship Limited</b></p>
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**NOW THIS INDENTURE WITNESSETH AND IT IS HEREBY MUTUALLY AGREED AND DECLARED BY AND BETWEEN THE PARTIES HERETO AS UNDER:-**

**1. DEFINITIONS AND INTERPRETATIONS**

**1.1 DEFINITIONS**



In these presents unless there is anything in the subject or context inconsistent therewith, the expressions listed below shall have the following meaning:-

- (i) **"Act"** means the Companies Act, 1956 and Companies Act 2013, and Rules, Regulations framed thereunder and Notifications/Circulars etc. issued thereunder from time to time (as amended and substituted from time to time);
- (ii) **"Applicable Law"** means all applicable Indian statutes, enactments, acts of the state legislature or the Parliament, and laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, judgments, directives and orders of Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and/or any Governmental Authority, statutory authority, tribunal, board, court or a recognized stock exchange, as may be applicable;
- (iii) **"Business Day"** shall mean all days on which money market is functioning any day in Mumbai. If the interest payment date falls on a day that is not a Business day, the payment shall be made on the following working day.; If the Redemption Date (also being the last Coupon Payment Date) of the NCDs fall on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on previous Business Day along with interest accrued on the NCDs until but excluding the date of such payment.
- (iv) **"BSE"** means Bombay Stock Exchange;
- (v) **"Debentures/Non-convertible Debentures/NCDs/Bonds"** Issue of unsecured, redeemable, senior, non-convertible, non-cumulative, taxable bonds in the nature of debentures of face value of Rs 1 lac for series 226A (10 years and 19 days with PUT option at the end of 3 years 19 days) for cash at par of Rs. 500 crore ('base issue') with option to retain oversubscription by way of green shoe option of Rs. 2000 crore aggregating to Rs. 2500 crore ('issue size') out of which Rs. 1200 Crore was retained on private placement basis and issue of unsecured, redeemable, senior, non-convertible, non-cumulative, taxable bonds in the nature of debentures of face value of Rs 1 lac for series 226B (10 years 19 days) for cash at par of Rs. 500 crore ('base issue') with option to retain oversubscription by way of green shoe option of Rs. 1200 crore aggregating to Rs. 1700 crore ('issue size') out of which Rs. 583.50 Crore was retained on private placement basis.
- (vi) **Debentureholders** or **"Holders of Debentures"** or **"Bondholders"** means the several persons who are for the time being and from time to time, holders of the Debentures and whose names are entered in the register of Debentureholders, where such Debentures are held in physical form, or whose names appear in the Register of Beneficial Owners, where such Debentures are held in dematerialised form;
- (vii) **"Debenture Documents"** mean and refer to (i) this Deed; (ii) the Debenture Trustee Agreement entered into between the Company and Trustee, (iii) the Placement Memorandum and (iv) documents that may be required pursuant to or entered into in connection with this Deed, or the transactions contemplated hereby;

 	
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- (viii) **"Placement Memorandum"** means a disclosure document/ placement memorandum with respect to any particulars series/tranche of Debentures issued under this Deed as amended and supplemented from time to time;
- (ix) **"Events of Default"** shall have the meaning as is attributed to such term in this Deed hereof;
- (x) **"Final Settlement Date"** means the date on which all the Obligations are irrevocably and unconditionally discharged by the Issuer in full, to the satisfaction of the Debenture Trustee;
- (xi) **"Financial Covenants and Conditions"** means covenants and conditions on the part of the Company to be observed and performed as set out in the First Schedule hereunder written and as the same may, from time to time, be modified in accordance with this Deed;
- (xii) **"Inter Creditor Agreement"** shall mean, if and as applicable, an agreement if executed and if mandatorily required to be executed by the Debentureholders under the directions issued by Reserve Bank of India described as the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019, containing framework with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets on June 7, 2019 as amended from time to time.
- (xiii) **"Majority Debentureholders"** shall mean persons holding an aggregate amount representing not less than 75% (seventy-five percent) of the value of the nominal amount of the Debentures for the time being outstanding.
- (xiv) **"NSE"** means National Stock Exchange of India Limited;
- (xv) **"Obligations"** shall mean at any time all the amounts payable by the Issuer to the Debenture Trustee or Debentureholders, pursuant to the terms of the Debenture Documents (in each case, whether alone or jointly, or jointly and severally, with any other Person, whether actually or contingently, and whether as principal, surety or otherwise), including the following amounts:
  - a. the aggregate redemption amount and coupon, in each case, in accordance with this Deed;
  - b. all additional redemption premium, further interest, Default Interest, indemnity payments, fees, costs, expenses and all other monies and payments to be made to the Debenture Trustee or Debentureholders under, or pursuant to, the Debenture Documents;
- (xvi) **Record Date** means the date as mentioned in the respective Disclosure Documents/ Placement Memorandum;
- (xvii) **"Stock Exchange"** means BSE and/or NSE
- (xviii) **"Transaction Documents"** mean collectively the Debenture Documents.

## 1.2 INTERPRETATION

  <p><b>Power Finance Corporation Ltd (BS 226 A&amp;B)</b></p>	 <p><b>Beacon Trusteeship Limited</b></p>
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In this Deed, unless the context otherwise requires:

- (i) The words and expressions defined in the Financial Covenants and Conditions shall, when used in this Deed, have the same meanings save where such meaning would render the same inconsistent with the definitions in this Clause;
- (ii) Words and expressions not defined herein and used herein, shall have the same meaning as is attributed to such terms in the respective Disclosure Document/Placement Memorandum;
- (iii) The terms defined in this Deed by reference to any other agreement, document or instrument shall have the meanings assigned to them in such agreement, document or instrument;
- (iv) A document or any other document is a reference to that document or other document as amended, replaced, novated or supplemented;
- (v) Any reference to the powers, functions, duties, liabilities or obligations of the Trustee under this Deed shall, wherever the context so permits, mean a reference to the powers, functions, duties, liabilities or obligations of the Trustee under the Debenture Documents, unless specified otherwise, wherein the trust in favour of the Trustee has been created by the Company pursuant to these presents, and the Debenture Documents and all other documents and agreements executed and entered into by the Trustee by virtue of its authority flowing from the Debenture Documents and these presents;
- (vi) Any representation, warranty, covenant or undertaking qualified by the expression "to the best of the Company's knowledge, information and belief" or any similar expression shall, unless otherwise stated, be deemed to; refer to the actual knowledge or awareness that the relevant Persons had at the date of this Deed and the knowledge that such Persons would have had at the date of this Deed if they had made due and careful enquiry of the relevant Persons into the subject matter of the relevant representation, warranty, covenant or undertaking at the relevant date;
- (vii) reference to an "amendment" includes a supplement, modification, novation, replacement or re-enactment and "amended" is to be construed accordingly;
- (viii) a reference to "authorisation" includes an authorisation, consent, clearance, approval, permission, resolution, licence, exemption, filing and registration;
- (ix) unless the context otherwise requires, the singular includes the plural and vice versa;
- (x) the words 'hereof', 'herein', and 'hereto' and words of similar import when used with reference to a specific Section in, or Schedule to, this Deed shall refer to such Section in, or Schedule to, this Deed, and when used otherwise than in connection with specific Sections or Schedules, shall refer to the Agreement as a whole;
- (xi) headings and the use of bold typeface shall be ignored in its construction;
- (xii) a reference to a Clause, Section or Schedule is, unless indicated to the contrary, a reference to a clause, section or schedule to this Deed;
- (xiii) references to this Deed shall be construed as references also to any separate or independent stipulation or agreement contained in it;

 	
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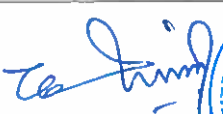


- (xiv) the words "other", "or otherwise" and "whatsoever" shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- (xv) references to the word "includes" or "including" are to be construed without limitation;
- (xvi) references to a person shall include such person's successors and permitted assignees or transferees;
- (xvii) all references to agreements, documents or other instruments include (subject to all relevant approvals) a reference to that agreement, document or instrument as amended, supplemented, substituted, novated or assigned from time to time;
- (xviii) words importing a particular gender include all genders;
- (xix) references to "Party" means a party to this Deed and references to "Parties" shall be construed accordingly;
- (xx) references to any law shall include any constitution, statute, law, rule, regulation, ordinance, judgement, order, decree, authorisation, or any published directive, guideline, requirement or governmental restriction having the force of law, or any determination by, or interpretation of any of the foregoing by, any judicial authority, whether in effect as of the date of the Debenture Documents or thereafter and each as amended from time to time;
- (xxi) words and abbreviations which have, well known technical or trade/commercial meanings are used in the Agreement in accordance with such meanings;
- (xxii) The provisions contained in the Schedules hereunder written shall have effect in the manner as if they were specifically herein set forth;
- (xxiii) The provisions contained in this Deed shall be read in conjunction with the provisions contained in the Disclosure Document/ Placement memorandum and it is specifically agreed between the Trustee and the Company that in case of any repugnancy, inconsistency or where there is a conflict between the conditions as are stipulated in the Disclosure Document/ Placement Memorandum on one hand, and the provisions contained in this Deed on the other, the provisions contained in this Deed shall prevail over and override the provisions of the Disclosure Document for all intents and purposes. This shall include the amended Disclosure Document/Deed, in case where Disclosure Document/Deed needs to be amended which is necessitated by change in laws and/or changes that are not prejudicial to the interest of Debentureholders.

## PART A: GENERAL AND STATUTORY TERMS

### 2. APPOINTMENT OF THE TRUSTEE AND DECLARATION OF TRUST:

#### (a) Appointment of Debenture Trustee

The Issuer has appointed Beacon Trusteeship Limited as the Debenture Trustee pursuant to the Debenture Trustee Agreement for the benefit of the Debentureholders and their successors, transferees and assigns under the trust to be created pursuant to Clause 2(b)

 	
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hereof. The Debenture Trustee agrees and is authorised:

- (i) to execute and deliver this Deed, all other Transaction Documents and all other documents, agreements, instruments and certificates contemplated by this Deed or the other Transaction Documents which are to be executed and delivered by the Debenture Trustee or as the Debenture Trustee shall deem advisable and in the best interests of the Debentureholders;
- (ii) to take whatever action as shall be required to be taken by the Debenture Trustee by the terms and provisions of the Transaction Documents, and subject to the terms and provisions of this Deed or any other Transaction Documents, to exercise its rights and perform its duties and obligations under each of the documents, agreements, instruments and certificates referred to in (i) above in such documents, agreements, instruments and certificates;
- (iii) subject to the terms and provisions of this Deed and the other Transaction Documents, to take such other action in connection with the foregoing as the Debentures may from time to time direct;
- (iv) to comply with all obligations and fulfill the duties which have been imposed on the Debenture Trustee under the Companies Act and the applicable SEBI regulations, as amended.

PROVIDED that before initiating any action or exercising any right or performing any duty under this Deed or any other agreement, the Debenture Trustee shall seek written instructions from the Majority Debentureholders at a meeting of Debentureholders convened in accordance with provisions set out in **the Second Schedule** or relevant applicable regulations and only upon receipt of such instructions shall the Debenture Trustee exercise its rights and perform its duties and obligations under each of the documents, agreements, instruments and certificates referred under this Clause.

**(b) Declaration of Trust by the Debenture Trustee**

- (i) The Issuer hereby settles in trust with the Debenture Trustee, a sum of Rs. 1,000/- (Rupees One Thousand Only). The Debenture Trustee hereby confirms its acceptance of Rs. 1,000 (Rupees One Thousand Only), being the initial corpus of the trust created in terms of this Deed, to have and hold the same together with all additions or accretions thereto including the investments representing the same, subject to the powers, provisions, agreements and declarations herein contained.
- (ii) The Debenture Trustee declares that it shall not revoke the trusts hereby declared till all the Obligations are irrevocably discharged and paid in full by the Issuer to the Debentureholders and the Debenture Trustee under the Transaction Documents.

**3. CONDITION PRECEDENT & CONDITION SUBSEQUENT**

**(a) Conditions precedent to subscription of Bonds**

The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:

- (i) Rating letters from CRISIL, ICRA and CARE not being more than one month old from the issue opening date;
- (ii) Seek a written consent letter from the Trustees conveying their consent to act as Trustees for the Bondholders;
- (iii) Making an application to NSE and BSE for seeking its in-principle approval for listing of Bonds.

 	
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(b) **Conditions subsequent to subscription of Bonds**

The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:-

- (i) Maintaining a complete record of private placement offers in Form PAS-5.
- (ii) Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, within fifteen days of the Deemed Date of Allotment;
- (iii) Credit of demat account(s) of the allottee(s) by number of Bonds allotted within the stipulated time period from the Deemed Date of Allotment;
- (iv) Making listing application to NSE/ BSE within T+3 days.
- (v) Execution of trust deed before listing of the bonds (T+3 days) and uploading the same on their website along with listing application.

Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.

**4. RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEES**

(i) **Resignation**

- (a) The Trustee may at any time, without assigning any reason and without being responsible for any loss or costs occasioned thereby, resign as the trustee, provided that they shall continue to act as trustees until a successor trustee is appointed by the Company.
- (b) The Company shall, upon receipt of notice of resignation issued by the Trustee, take prompt steps to appoint another entity competent to act as trustee (holding valid license from SEBI) for the Bondholders in place of the Trustee (the Successor Trustee).

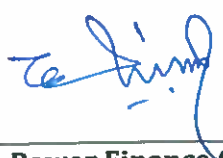


(ii) **Removal**

The Debentureholders may for sufficient cause but, after giving not less than two months' notice in writing, remove the Trustee by passing a Special Resolution to that effect, and by the same resolution nominate an entity competent to act as their trustee and require the Corporation to appoint such entity as the Successor Trustee. The Company shall within 15 days of receipt of such resolution passed by the Debentureholders take all necessary steps to appoint the entity named in the resolution as the Successor Trustee and complete all necessary formalities to give effect to such appointment.

(iii) **Successor Trustee as the Trustee**

Upon appointment of the Successor Trustee pursuant to the preceding sub-clause (i) or (ii), all references in this Agreement to the Trustee shall unless repugnant to the context mean and refer to the Successor Trustee and the Successor Trustee shall without any further act or Deed succeed to all the powers and authorities of the Trustee as if it had been originally appointed as the Trustee.

**5. TRUSTEES REMUNERATION**

 	
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The Company shall pay to the Trustee's remuneration as mentioned in the Engagement/Offer letter bearing Ref No. 04:04:DebtTrustee:2018:II dated 23<sup>rd</sup> March, 2021 for their services as Trustees.

## 6. LISTING & CREDIT RATING:

The Debentures shall be listed on the wholesale debt market segment of NSE/BSE and, within 3 (three) days from the date of closure of issue. In the event of delay in listing of the bonds beyond 3 (three) days, the Issuer shall; (a) pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing); and (b) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchanges.

ICRA has assigned a rating of 'AAA(Stable)' to the long term borrowing programme for the Financial Year 2022-23 aggregating to Rs. 70,000.00 crore indicating the highest degree of safety with regard to payment of interest and principal vide letter no. ICRA/Power Finance Corporation Ltd./01032023/1 dated 01.03.2023. A copy of the said letter is enclosed elsewhere in this Private Placement Offer Letter.

CRISIL has assigned a rating of 'AAA/Stable' to the long term borrowing programme for the Financial Year 2022-23 aggregating to Rs. 70,000.00 crore, indicating the highest degree of safety with regard to payment of interest and principal vide letter no. RL/PFCLMTD/311640/LTBP/0223/52682/81798407/1 dated 09.03.2023. A copy of the said letter from CRISIL is enclosed elsewhere in this Private Placement Offer Letter.

CARE has assigned a rating of 'AAA/Stable' to the long term borrowing programme for the Financial Year 2022-23 aggregating to Rs. 70,000.00 crore indicating the highest degree of safety with regard to payment of interest and principal vide letter no. CARE/DRO/RL/2022-23/3382 dated 02.03.2023. A copy of the said letter from CARE is enclosed elsewhere in this Private Placement Offer Letter.

## 7. COMPANY'S COVENANTS

A. The Company declares, represents and covenant as follows:-

- (i) The Company is an actively functional company and the Company's accounts for the last three (3) years have been prepared as per the relevant statutes/ acts. The Company is in compliance with stipulations of the Act applicable to them.
- (ii) The Company confirms that the annual return and Income-Tax return for the last three (3) years have duly been filed.
- (iii) The Company is a duly organized and validly existing company incorporated under the meaning of the Companies Act, 1956 and existing within the provisions of the Companies Act, 2013 and has the power and authority to own its property and assets and to transact the business in which it is engaged or proposes to be engaged and to do all things necessary to consummate the transactions contemplated by this Agreement. Issuer has the corporate power to execute and deliver and to comply with provisions of each of the Debenture Documents and that it has taken all necessary corporate actions to authorize the execution, delivery and performance by it of each of the Debenture Documents as have been executed and delivered as of each date of this representation and warranty is made or deemed made.




 	
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- (iv) That the Company shall execute all such deeds, documents and assurances and do all such acts and things as the Trustee may reasonably require for exercising the rights under these presents
- (v) The Company shall maintain register of debentureholders including address of the debentureholders, record of subsequent transfers and changes of ownership
- (vi) The Company shall keep proper books of accounts open for inspection by Debenture Trustee and permit the Debenture Trustee to enter the Issuer's premises and inspect
- (vii) The Company shall furnish the information required by the Debenture Trustee for the effective discharge of its duties and obligations, including copies of reports, balance sheets, profit and loss account etc.
- (viii) As and if applicable, shall conform with the guidelines issued in respect of the Inter Creditor Agreement (ICA) by the regulatory authorities from time to time
- (ix) The Company shall keep all information related to the Debenture Documents confidential and shall not reveal any information related to the Debenture Documents to any person, media, press without the prior written approval of the Debenture Trustee and Debentureholders, which the Debenture Trustee and Debentureholders, may provide in its sole discretion on such terms and conditions as it deems fit, including but not limited to the specific contents and mode/manner/agency/newspaper of such publication/disclosure, save and except the information which is required to be filed with the concerned statutory authorities, as per applicable law.

#### B. Affirmative Covenants

The Company hereby covenant with the Trustee that the Company shall at all times (except as may otherwise be previously agreed in writing by the Trustee):-




- (i) Carry on 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 and inform the Trustees of any change in the nature of conduct of its business;
- (ii) Utilise the monies received from subscription of the Debentures for the Purpose as mentioned in the Placement Memorandum ;
- (iii) Keep proper books of account as required by the Companies Act, 1956 and/ or Companies Act, 2013 and therein make true and proper entries of all dealings and transactions of and in relation to 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;
- (iv) Give to the Trustee or to such person or persons as aforesaid, in event of default, 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 Trustee three copies of

 	
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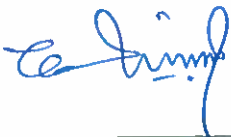


every report, balance sheet, profit and loss account, circulars or notices, issued to the Shareholders and the Trustee shall be entitled, if they think fit, from time to time, to nominate a firm of Chartered Accountants to examine the books of account, documents and property of the Company or any part 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, charges and expenses of and incidental to such examination and investigation;

- (v) 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 Debentures might or would be hindered or delayed;
- (vi) 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 Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustee on demand;
- (vii) Promptly inform the Trustee if it has notice of any application for insolvency having been served or a petition(s) have been admitted under the provisions of Insolvency and Bankruptcy Code 2016 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 or interim resolution professional is appointed of any of its properties or business or undertaking;
- (viii) Promptly inform the Trustee of the happening of any labour strikes, lockouts, shut-downs, fires or any event likely to have a substantial effect on the Company' profits or business and of any material changes in the rate of sanctions, disbursements, recoveries, operations and business of the Company with an explanation of the reasons therefor;
- (ix) inform the Trustee of any significant changes in the composition of its board of directors
- (x) Promptly inform the Trustee 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, epidemic, pandemic etc. against which the Company may not have insured its properties;
- (xi) shall furnish quarterly report to the Trustee containing the following particulars:
  - a. Updated list of the names and addresses of the Debentureholders;
  - b. Details of the interest due, but unpaid and reasons thereof;
  - c. The number and nature of grievances received from the Debentureholders and resolved by the Company and unresolved by the Company and the reason for the same;
  - d. any breach of the terms of issue of debentures or covenants of the trust deed

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or the transaction documents:

- e. Any other information as may be required by Trustee.
- (xii) The Company shall in accordance with the applicable laws, send to the Debentureholders and also to the stock exchange for dissemination along with the half yearly financial results, such information as may be prescribed therein.
- (xiii) The Company shall submit the following disclosures to the Trustee at the time of/ upon allotment of the Debentures:
- a. Memorandum and Articles of Association and necessary resolution(s) for the allotment of the Debentures;
- b. Copy of last three years' audited Annual Reports;
- c. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- d. Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications, if any.
- e. An undertaking to the effect that the Company would, till the redemption of the debt securities, submit the details mentioned in point (D) above to the Trustee within the timelines prescribed under law for furnishing/publishing its half yearly/ annual result. Further, the Company shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee.
- f. Relevant resolution passed by the Board of Directors and shareholders of the Company;
- g. Allotment Letters and credit confirmation from NSDL/CDSL; and
- h. Any other information as required by the Trustee.
- (xiv) Promptly and expeditiously attend to and redress the grievances, if any, of the Debentureholders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Trustee and shall advise the Trustee periodically of the compliance. All grievances relating to the issue may be addressed to the Compliance Officer giving full details such as name, address of the applicant, date of the application, application number, number of Debentures applied for, amount paid on application and the place where the application was submitted. The Company will make best efforts to settle investor grievances expeditiously and satisfactorily. In case of non-routine complaints and where external agencies are involved, the Company would strive to redress these complaints as expeditiously as possible. The Compliance Officer of the Company may also be contacted in case of any investor grievances;
- (xv) promptly inform the Trustee before the declaration or distribution of any dividend;
- (xvi) comply all the provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, the Securities and Exchange Board of

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India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time ("SEBI NCS Regulations), Companies Act, 2013, Issuance of Non-convertible Debentures (Reserve Bank) Directions, 2010, as amended from time to time and/or any other notification, circular, press release issued by the SEBI/Reserve Bank of India with regard to the Debenture issue and comply with all regulations / provisions of Companies Act, 2013, guidelines of other regulatory authorities in respect of allotment of debentures till redemption from time to time;

- (xvii) shall always keep the Trustee informed of all orders, directions, notices of any court/tribunal;
- (xviii) shall have the right to share credit information as deemed appropriate with Central Repository of Information on Large Credits (CRILC), TransUnion CIBIL Limited ("CIBIL") or any other institution as approved by RBI from time to time;
- (xix) The Company shall promptly inform the Trustee about any change in the nature of and conduct of business by the company before such change;

(xx) **True and Complete Disclosure**

All information furnished by the Company to the Debenture Trustee in connection with the sanction of the facility by way of subscription of Debentures, whether prior to the Date of this Deed or contemporaneously with the execution of this Deed as part of Debenture Documents and all information hereafter furnished, is and will be true, accurate and complete in all respects as on the date on which such information is dated or certified and is not, and will not be misleading in any respect.

**C. Negative Covenants**




- a. The Company hereby declares, represents, covenants with the Trustee that during the continuance of the Debentures, the Company shall intimate to the Trustee if any merger, consolidation, reorganisation scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction takes place.
- b. The Company shall not declare dividend to the shareholders in any financial year, in case it makes default in payment of installment of principal and interest due on the Debentures or has not made provision for making such payment.
- c. Comply with the provisions of the Companies Act, 2013 including the provision relating to transfer of unclaimed / unpaid amounts of monies due on debentures and redemption of debentures to Investor Education and Protection Fund (IEPF).

**D. Special Covenants**

So long as the Debentures are outstanding, the Company agrees and undertakes that:

a) **Execution of documents**

The Company shall execute all relevant documents for the Debentures in accordance with the provisions contained in the Letter of Intent/Sanction Letter and/or Subscription Agreement, as the case may be, and furnish an undertaking to the Debentureholder(s) and the Trustee to that effect.

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## E. Information Covenant

The Company shall inter-alia furnish to the Trustee the following documents:

- (i) A certified copy of the Disclosure Document/ Placement memorandum;
- (ii) Proof of Credit of Debenture
- (iii) Details of the depository;
- (iv) Latest Annual Report of the Company;
- (v) Original Debenture Trust Deed once the same is executed;
- (vi) All documents evidencing payment of all outstandings including coupon and principal payments made to the Debentureholders on relevant payment dates;
- (vii) a copy of the receipt from the Stock Exchange acknowledging the receipt of recovery expense fund to the Debenture Trustee
- (viii) **Security Cover and Compliance Covenant Certificate**




➤ **Half yearly basis:**

The Company shall, on a half yearly basis, furnish to the Debenture Trustee, a certificate from a Statutory Auditor confirming the security cover available to secure the Debentures in the format specified by the SEBI and confirming the compliance with all the covenants as disclosed in the Placement Memorandum and Transaction Documents

- (ix) periodical reports on quarterly basis;
- (x) End Utilization Certificate certified by the statutory auditors of the Company shall be furnished to the Debenture Trustee on annual basis;
- (xi) The Company shall immediately inform the Trustee of any rating action – upgrade or downgrade of credit rating of the Company irrespective of whether the rating of the Debentures covered hereunder is upgraded/downgraded or otherwise. Such details would be furnished by the Company immediately on such upgrade/downgrade
- (xii) The Company shall promptly notify to the Debenture Trustees about initiation of forensic audit by any entity along with the reasons for such appointment. The Company shall also inform the Debenture Trustee on key finding of such forensic audit upon completion of such audit, to the extent of such details available with the Company.
- (xiii) Monthly Beneficiary Position Report as to the beneficial holders of the Debentures.

## 8. BREACH OF COVENANT BY THE COMPANY MAY BE WAIVED:

The Trustee may, at any time, with the consent of majority debentureholders, waive on such terms and conditions as to them shall seem expedient any breach by the Company of any of

 	
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the covenants and provisions in these presents contained without prejudice to the rights of the Trustee in respect of any subsequent breach thereof.

## 9. POWER OF TRUSTEES TO DELEGATE

The Trustee hereof being a Corporation or any institution in the public sector may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them by these presents act by an officer or officers for the time being of the Trustee and the Trustee may also, whenever they think it expedient, delegate by Power of Attorney or otherwise to any such officer all or any of the Trusts, powers, authorities and discretions vested in them by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Trustee may think fit and the Trustee shall not be bound to supervise the proceedings or be in anywise responsible for any loss incurred by reason of any misconduct or default or any mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of any such delegate or sub-delegate.

## 10. POWER OF TRUSTEES TO EMPLOY AGENTS




The Trustee may, in carrying out the trust business employ and pay any person or concur in transacting any business and do or concur in doing all acts required to be done by the Trustee including the receipt and payment of moneys and shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by them in connection with the trusts hereof and also their reasonable charges in addition to the expenses incurred by them in connection with matters arising out of or in connection with these presents.

## 11. TRUSTEES MAY CONTRACT WITH COMPANY

Neither the Trustee nor any agent of the Trustee shall be precluded from making any contract or entering into any arrangement or transaction with the Company or with itself in the ordinary course of business of the Trustee or from undertaking any banking, financial or agency services for the Company or for itself or from underwriting or guaranteeing the subscription of or placing or subscribing for or otherwise acquiring, holding or dealing with any of the Stocks or shares or Debentures or Debenture stocks or any other securities whatsoever of the Company or in which the Company may be interested either with or without a commission or other remuneration or otherwise at any time entering into any contract of loan or deposit or any other contract or arrangement or transaction with the Company or being concerned or interested in any such contract or arrangement or transaction which any other Company or person not being a Trustee of these presents would be entitled to enter into with the Company and they shall not be in anywise liable to account either to the Company or to the Debentureholders for any profits made by them thereby or in connection therewith and the Trustee or any agent of the Trustee shall also be allowed to retain for their or his own benefit any customary share of brokerage, fee, commission, interest, discount or other compensation or remuneration allowed to them or him.

## 12. MODIFICATIONS TO THESE PRESENTS

The Trustee shall concur with the Company in making any modification in these presents which in the opinion of the Trustee shall be expedient to make provided that once a modification has been approved by a consent in writing of the holder(s) of the Debentures representing not less than 75% in value of the Debentures for the time being outstanding or by a resolution duly passed at a meeting of the Debentureholders convened in accordance

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with the provisions set out in the Second Schedule hereunder written, the Trustee shall give effect to the same by executing necessary Deed(s) supplemental to these presents.

### 13. APPOINTMENT OF TRUSTEES AS ATTORNEYS OF THE COMPANY

The Company hereby irrevocably appoints the Trustee to be the Attorneys of the Company in the name and on behalf of the Company to execute, sign and do any deeds, documents, assurances, acts and things which shall in the opinion of the Trustee be necessary or expedient that the Company should execute sign and do for the purpose of carrying out any of the trusts or obligations declared or imposed upon the Company by these presents or given to the Debentureholders or to the Trustee on their behalf the full benefit of any of the provisions of these presents and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred upon the Trustee or any Receiver appointed by them.




### 14. NOTICES

Unless otherwise stated, all notices, approvals, instructions and other communications for the purposes of this Deed may be given by facsimile or by courier or by personal delivery or in electronic form or by sending the same by prepaid registered mail, addressed to the party concerned at its address or the fax numbers or e-mail address set out herein and/or any other address subsequently notified to the other Party with a period of 5 days from any change thereof, for the purposes of this section and shall be deemed to be effective (a) in the case of registered mail, when delivered to the postal authority, (b) in the case of facsimile at the time when dispatched with a report confirming proper transmission, (c) in the case of personal delivery, at the time of delivery, (d) in case of courier, when delivered to the courier, and (e) in case of e-mail, at the time when it is sent.

A certificate by an officer of the Trustee that the notice was posted or served, as the case may be, shall be final, conclusive and binding on the Company. Notwithstanding anything contained hereinabove, any notice given to the Trustee under this Deed shall be deemed to have been served upon the Trustee when it is actually received by the officer of the Trustee in whose attention the notice is addressed.

For Debenture Trustee		
Name	:	BEACON TRUSTEESHIP LIMITED
Address	:	4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Club, Bandra (East), Mumbai – 400 051
e-mail	:	compliance@beacontrustee.co.in
Telephone No.	:	022 - 26558759
Kind Attn.	:	Mr. Kaustubh Kulkarni

For the "Issuer"/Company		
Name	:	POWER FINANCE CORPORATION LIMITED
Address	:	1, Urjanidhi Building, Barakhamba lane, Connaught Place, New Delhi-110001
Telephone No	:	011-23456202
e-mail	:	Pawan_kumar@pfcindia.com
Kind Attn.	:	Mr. Pawan Kumar

 	
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Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

- i. if by way of fax or email, when received in legible form; or
- ii. if by way of letter, when it has been left at the relevant address or 5 (five) days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under this clause if addressed to that department or officer.

Any communication or document to be made or delivered to the Debenture Trustee or the Company will be effective only when actually received by the Debenture Trustee and then only if it is expressly marked for the attention of the department or officer identified in this Clause or any substitute department or officer as the Debenture Trustee shall specify for this purpose.

## 15. RECEIPT OF DEBENTUREHOLDERS

The receipt of each holder of the Debentures or if there be more than one holder of any such Debentures, then the receipt of any one of such holders or of the survivors of survivor for the principal monies and interest payable in respect of each of such Debenture shall be a good discharge to the Trustee.

## 16. TRUSTS OF DEBENTURES NOT RECOGNISED

The Trustee shall not be affected by any notice express or implied of the right, title or claim of any person to such monies other than the Debentureholders.

## 17. SURRENDER OF DEBENTURES ON PAYMENT




Upon payment to the Debentureholders in full discharge of all principal moneys and interest due upon their Debentures, for NCDs held in dematerialized form, no further action would be required on the part of the NCD Holders, upon payment to such NCD Holders in full discharge of all principal moneys due upon their NCDs.

## 18. WHEN TRUSTEES MAY INTERFERE

Until the happening of any of the Events of Default the Trustee shall not be in any manner required, bound or concerned to interfere with the management or the affairs of the Company or its business.

## 19. REGISTER OF DEBENTUREHOLDERS

The register of Debentureholders containing necessary particulars including the addresses of the Debenture holders, record of the subsequent transfer and changes of ownership shall be maintained by the Company at its registered office or any other place so permitted by law or a similar record as prescribed in relation to securities issued in dematerialized form shall be maintained by obtaining a download from the National Securities Depository Limited prior to the record date for payment of interest and / or redemption money. The Trustee and / or the Debentureholders or any of them or any other person shall, as provided in Section 94 of the Companies Act, 2013 be entitled to inspect the said Register / record

 	
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and to take copies of or extracts from the same or any part thereof during usual business hours.

## 20. DEBENTURE REDEMPTION RESERVE

As per Rule 18(7)(b)(ii) of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, no DRR is required in the case of privately placed debentures. In case the similar exemption is not extended in future, the Company will follow the applicable rules pertaining to DRR.

## 21. RECOVERY EXPENSE FUND




The Company further undertakes to create a deposit in the manner as maybe specified by SEBI from time to time for an amount of 0.01% of the Base Issue Size up to a maximum amount of Rs. 25,00,000 (Rupees Twenty-five lakhs) per Issuer ("Recovery Expense Fund") before the listing of the Debentures on BSE/ NSE. The Company further undertakes to inform the Debenture Trustee regarding the creation of, and the deposit in such fund. The Recovery Expense Fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security. The Trustee shall keep proper account of all expenses incurred out of the funds received from the Recovery Expense Fund. In case of an Event of Default, the Trustee will follow the guidelines prescribed by SEBI in SEBI Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated 22<sup>nd</sup> Oct'2020. The balance amount from the Recovery Expense Fund shall be refundable to the Company on repayment to the Debentureholders on their Debentures, for which a no-objection certificate shall be issued by the Trustee(s).

## 22. PURCHASERS AND PERSONS DEALING WITH TRUSTEES NOT PUT ON ENQUIRY

No purchaser, company, person or other person dealing with the Trustee or their attorneys or agents shall be concerned to inquire whether the power exercised or purported to be exercised has become exercisable or whether any money remains due on the security of these presents or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been made or otherwise as to the propriety or regularity of any sale, calling in, collection or conversion or to see to the application of any money paid to the Trustee and in the absence of malafides on the part of such purchaser, or other person such dealing shall be deemed so far as regards the safety and protection of such person to be within the powers hereby conferred and be valid and effectual accordingly.

23. In addition to the other powers conferred on the Trustee and provisions for their protection and not by way of limitation or derogation of anything in these presents contained nor of any statute limiting the liability of the Trustee, IT IS EXPRESSLY DECLARED as follows:-

- a. The Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Trustee or otherwise. Any such advice, opinion or information and any communication passing between the Trustee and their representative or Attorney or a Receiver appointed by them may be obtained or sent by letter, telegram, cablegram, telex, email or telephonic message;

 	
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- b. The Trustee shall be at liberty to accept a certificate signed by any one of the Directors of the Company as to any act or matter prima facie within the knowledge of the Company as sufficient evidence thereof and a like certificate that any property or assets are in the opinion of the Director so certifying worth a particular sum or suitable for the Company' purpose or business as sufficient evidence that it is worth that sum or so suitable and a like certificate to the effect that any particular dealing or transaction or step or thing is in the opinion of the Director so certifying expedient as sufficient evidence and it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by their failing to do so;
- c. With a view to facilitating any dealing under any provision of these presents the Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;

The Trustee shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination bonafide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Trustee) shall be conclusive and binding upon all persons interested hereunder.

## 24. GOVERNING LAW

This Deed is governed by and shall be construed in accordance with the Indian Laws.

## 25. JURISDICTION

The Issuer agree that the courts and tribunals at New Delhi shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with this Deed may be brought in such courts or the tribunals and the Issuer irrevocably submit to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts or tribunals.

## 26. STAMP DUTY

The Company agrees to pay/incur stamp duty registration charges and other incidental charges at all times for execution of this document as well as stamp duty and incidental charges for Debentures/ Debenture certificates issued/ to be issued to Debentureholders.

## 27. EFFECTIVENESS OF DEED




This Deed shall be effective on and from the date first hereinabove written and shall be in force till the monies in respect of the Debentures have been fully paid-off.

## 28. COUNTERPARTS

This Deed may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same document.

## 29. SEVERABILITY

Each provision of these presents shall be considered severable and if for any reason any provision of these presents is determined by a court of competent jurisdiction to be invalid

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or unenforceable and contrary to Indian laws or existing or future applicable law, such invalidity shall not impair the operation of or affect those provisions of these presents which are valid. In that case, these presents shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of any applicable law, and in the event such term or provision cannot be so limited, these presents shall be construed to omit such invalid or unenforceable provisions. Following the determination that any provision of these presents is unenforceable, the Parties shall negotiate in good faith a new provision that, as far as legally possible, most nearly reflects the intent of the Parties and that restores these presents as nearly as possible to its original intent and effect.

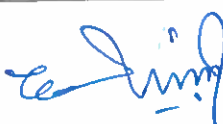


### 30. AMOUNT OF DEBENTURES AND COVENANT TO PAY PRINCIPAL AND INTEREST

- (i) For the Object (as defined in First Schedule), the Company has issued unsecured, listed, redeemable, senior, non-convertible Debentures for an amount of Rs. 1200 Crores for a tenor of 10 years and 19 days with PUT option at the end of 3 years 19 days under series 226A on private placement basis and unsecured, listed, redeemable, senior, non-convertible Debentures for an amount of Rs. 583.50 Crores for a tenor of 10 years and 19 days under series 226B on private placement basis.
- (ii) The Company covenants with the Trustee that it shall pay to the Debentureholders the principal amount of the Debentures, coupon, interest, default interest (wherever applicable) and other monies on the dates and in the manner as set out in the Financial Covenants and Conditions, respective Placement Memorandum and in accordance with applicable laws.

All payments by the Issuer in accordance with this clause will be made by the Issuer, in accordance with the provisions of this Deed, from the account specified in the Third Schedule (Account Details) of this Deed. In case of any change in the details of such account, the Issuer shall promptly, and in no case later than 1 (one) Business Day from occurrence of such change, inform the Debenture Trustee of the updated details of the account.

### 31. FORM OF THE DEBENTURE

- 31.1 The Company has made depository arrangements with National Securities Depository Limited and/or Central Depository Services (India) Limited (the "Depository") for issue of the Debentures in dematerialised form.
- 31.2 The principal amount of the Debentures, interest on redemption (inclusive of default interest where applicable) shall, between the holders of the Debentures, inter-se rank pari passu without any preference or priority whatsoever on account of date of issue or allotment or otherwise. The Debentures shall be redeemed inter se on a pari passu basis.
- 31.3 The Issues of Debentures may be listed on the Stock Exchange(s) as per the terms contained in the respective Term Sheet/Placement Memorandum (PM). In case, a particular issue is proposed to be listed, the Company undertakes to obtain approval of the exchange and all other necessary approvals from any other authority and to comply with all laws, rules and regulations as may be applicable.
- 31.4 The Financial Covenants and Conditions shall be binding on the Company, the Trustee, the Debentureholders and all persons claiming by, through or under any of them. The Trustee shall be entitled to enforce the obligations of the Company under or pursuant to the Financial

 	
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Covenants and Conditions as if the same were set out and contained in these presents which shall be read and construed as one document.

### 32. BUY BACK, PURCHASE, RE-ISSUE, CONSOLIDATION AND RE-SALE OF DEBENTURES

The Company shall have the right to purchase/buy-back/re-issue the Bonds at any time during the tenor of the Bonds subject to the terms and conditions prescribed under rule 17 of the Companies (Share Capital and Debentures) Rules, 2014, as amended. The Company may at its discretion, re-issue or cancel the repurchased bonds in accordance with the relevant provisions of the law and on such terms and conditions as the Company may deem fit and as may be permitted by Applicable Laws.

### 33. EVENTS OF DEFAULT AND REMEDIES

If one or more of the events specified herein (hereinafter the "Event(s) of Default") happen(s), the Trustee may, in their discretion, or, upon request in writing of the Debentureholders of an amount representing not less than 75% of the Debentureholders by value of the outstanding debt, by a notice in writing to the Company declare the principal of and all accrued interest on the Debentures to be due and payable forthwith and the Trustee shall have the following rights (anything in these presents to the contrary notwithstanding)-




- a. exercise any and all rights specified in the Debenture Documents;
- b. exercise all or any such other rights as may be available to the Debenture Trustee/Debentureholders under the Applicable Laws and all Debenture Documents;
- c. utilize the recovery expense fund as per the circulars issued by SEBI from time to time
- d. enter into Inter Creditor Agreement as per SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020
- e. **Rights Independent**

The Issuer agrees and confirms that the above right of the Debenture Trustee is independent right and the Debenture Trustee/ Debentureholders shall be free to pursue any other legal remedy or right provided under law.

f. **Right to report to Reserve Bank of India, SEBI and Debentureholders etc;**

(i) In case of default in redemption or payment of applicable coupon thereon on the respective Due Date(s), the Debenture Trustee shall have an unqualified right to disclose the name of the Issuer and its directors to the RBI or any other person designated under Applicable Law or by RBI. The Issuer hereby gives its consent to the Debenture Trustee RBI/such other authorized person to publish its name and name of its directors as defaulters in such manner and through such medium as the Debenture Trustee /RBI/such other authorized person in its absolute discretion may deem fit.

(ii) Debenture Trustee shall have an unqualified right to inform the SEBI immediately of any breach of trust deed or provision of any law, which comes to the knowledge of the Trustee

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(iii) Debenture Trustee shall have an unqualified right to inform the Debentureholders immediately of any breach of the terms of issue of debentures or covenants of the Trust deed;




(iv) Debenture Trustee shall have an unqualified right to inform the Stock Exchanges where Debentures are listed immediately of any breach of trust deed or provision of any law, which comes to the knowledge of the Trustee

**g. Appointment of Nominee Director**

The Company, being a government company, directors are appointed by Government of India, accordingly, appointment of nominee director is not applicable.

**A. Event of Default**

- (a) Default is committed in payment of the principal amount of the Debentures on the due date(s) and such default continues for a period of 30 (thirty) days;
- (b) Two consecutive defaults in payment of interest to the Debentureholder(s) on the Interest Payment Date(s) and such default continues for a period of 30 (Thirty) days;
- (c) Default is committed in payment of any other amounts outstanding and such default continues for a period of 30 (thirty) days;
- (d) Defaults in performance or compliance with one or more of its material obligations in relation to the Debentures and/or the Transaction Documents, which default is incapable of remedy or, if in the reasonable opinion of the Debenture Trustee is capable of remedy, is not remedied within 30 (thirty) days of written notice of such default being provided to the Company by the Debenture Trustee;
- (e) 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, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 (thirty) days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied;
- (f) Any material indebtedness of the Company for funds raised or availed by the Company, that is, material indebtedness for and in respect of monies borrowed or raised by the Company (whether or not for cash consideration) by whatever means (including acceptance, credits, deposits and leasing) becomes due prior to its stated maturity by reason of default of the terms thereof or if any such indebtedness is not paid at its stated maturity (in the reasonable opinion of the Debenture Trustee), or there is a default in making payments due under any guarantee or indemnity given by the Company in respect of the material indebtedness of borrowed monies of any person, and proceedings are initiated by the relevant lender or creditor in connection with such default, for recovery of such indebtedness or for enforcement or invocation of such guarantee or indemnity;
- (g) Any information, representation, warranty, statement, certificate given by the Company to the Debentureholders or the Debenture Trustee and the warranties

 	
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given or deemed to have been given by it to the Debentureholders or the Debenture Trustee is misleading or incorrect in any material respect;

- (h) The Company is unable to or has admitted in writing its inability to pay its material debts as and when the same are due or it is certified by an accountant appointed by the Debenture Trustee that based on the examination of the financial condition of the Company by reason of the Company's liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that the Company would be in a position to pay its obligations in connection with the NCDs;
  - (i) When an order has been made by the tribunal or a special resolution has been passed by the members of the Company for winding up of the Company
  - (j) If any extraordinary circumstances have occurred which make it improbable for the Company to fulfil its material obligations under these presents and/or the NCDs;
  - (k) The Company ceases to carry on its business or gives notice of its intention to do so;
  - (l) In the event any breach of the terms of the Disclosure Documents/ Placement Memorandum inviting the subscription of the Debentures NCDs or the covenants of this Deed is committed;
- B. All expenses incurred by the Debentureholders/ the beneficial owners/Trustees after an event of default has occurred in connection with collection of amount due under this Deed and other Debenture Documents shall be payable from Recovery Expense Fund.




## **PART B - COMMERCIAL AND TRANSACTION SPECIFIC TERMS**

### **34. ISIN Details- The ISIN details are as under:**

ISIN	DESCRIPTION
INE134E08MH6	7.66% UNSECURED RATED LISTED REDEEMABLE NON CONVERTIBLE BOND IN NATURE OF DEBENTURES SERIES BS226A DATE OF MATURITY 15/04/2033
INE134E08MI4	7.70% UNSECURED RATED LISTED REDEEMABLE NON CONVERTIBLE BOND IN NATURE OF DEBENTURES SERIES BS226B DATE OF MATURITY 15/04/2033

35. Details of debenture issue as regards amount, tenure, interest/coupon rate, periodicity of payment, mode of payment, period of redemption, purpose of raising finance through the debenture issue, the terms of conversion/ redemption of the debentures in terms of the issue to the debenture holders, options available, if applicable and other issue details.

Refer summary term sheet at Schedule I.

 	 
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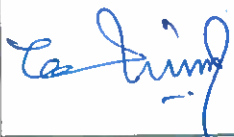



## THE FIRST SCHEDULE

### FINANCIAL COVENANTS AND CONDITIONS

#### SUMMARY TERM SHEET

#### ISSUE OF BOND SERIES 226 A&B

Security Name	7.66 % PFC BS 226A	7.70 % PFC BS 226B
Issuer	Power Finance Corporation Limited	Power Finance Corporation Limited
Type of Instrument	PFC Unsecured, Redeemable, Non-Convertible, Non-cumulative, Taxable Bonds in the nature of Debentures Series 226A	PFC Unsecured, Redeemable, Non-Convertible, Non-cumulative, Taxable Bonds in the nature of Debentures Series 226B
Nature of Instrument (Secured or Unsecured)	Unsecured	Unsecured
Seniority (Senior or Subordinated)	Senior	Senior
Mode of Issue	Private placement basis	Private placement basis
#Eligible investors	<p>The eligible participants/investors shall be as per the EBP Platform of the Stock Exchange as mentioned hereunder:</p> <p>a) QIBs as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to SEBI ICDR Regulations, 2018).</p> <p>b) Any non-QIB investor including arranger(s), who/ which has been authorized by the issuer, to participate in a particular issue on the EBP Platform.</p> <p>c) Any non-QIB investor which are bidding through arranger (s) authorised by the issuer</p>	<p>The eligible participants/investors shall be as per the EBP Platform of the Stock Exchange as mentioned hereunder:</p> <p>a) QIBs as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to SEBI ICDR Regulations, 2018).</p> <p>b) Any non-QIB investor including arranger(s), who/ which has been authorized by the issuer, to participate in a particular issue on the EBP Platform.</p> <p>c) Any non-QIB investor which are bidding through arranger (s) authorised by the issuer</p>
Listing (including name of stock exchange(s) where it will be listed & timeline for listing)	<p>On the Debt Market segment of NSE and wholesale Debt Market segment of BSE</p> <p>Further, it shall be ensured by the company that the bonds are listed within T+3 days (T = date of bidding). In case bonds are not listed within T+3 days, the issuer shall; (a) pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing); and (b) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchanges.</p>	<p>On the Debt Market segment of NSE and wholesale Debt Market segment of BSE</p> <p>Further, it shall be ensured by the company that the bonds are listed within T+3 days (T = date of bidding). In case bonds are not listed within T+3 days, the issuer shall; (a) pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing); and (b) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchanges.</p>
Rating of the instrument	'AAA/Stable' by CRISIL, 'AAA (Stable)' by ICRA & 'AAA/Stable' by CARE	'AAA/Stable' by CRISIL, 'AAA (Stable)' by ICRA & 'AAA/Stable' by CARE
Issue Size	Rs. 500 crore ('Base Issue') with green shoe option of Rs. 2000 Crore	Rs. 500 crore ('Base Issue') with green shoe option of Rs. 1200 Crore

 	 
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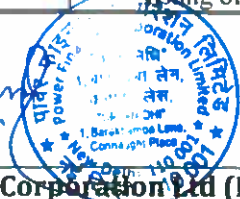
	listing) and be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.  In case of delay in execution of the Bond Trust Deed within the prescribed period from the deemed date of allotment, the Issuer shall pay penal interest at the rate as mentioned in the relevant regulations, till the date of execution of the Bond Trust Deed.	listing) and be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.  In case of delay in execution of the Bond Trust Deed within the prescribed period from the deemed date of allotment, the Issuer shall pay penal interest at the rate as mentioned in the relevant regulations, till the date of execution of the Bond Trust Deed.
Tenor	10 years 19 days with One time Put option at the end of 3 years 19 days	10 years 19 days
Redemption Date	15-April-2033	15-April-2033
Redemption amount	At Par	At Par
Redemption Premium/Discount	Not applicable	Not applicable
Issue Price	At par	At par
Discount at which security is issued & the effective yield as a result of such discount	Not applicable	Not applicable
Put Date	15-April-2026	Not applicable
Put Price	At Par	Not applicable
Call Date	Not applicable	Not applicable
Call Price	Not applicable	Not applicable
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Upto 5.00 p.m, latest by 30 March 2026	Not applicable
Call Notification Time (Timelines by which the Issuer need to intimate Investor before exercising the call)	Not applicable	Not applicable
Face Value	Rs. 1,00,000 (Rupees One lac only) per bond	Rs. 1,00,000 (Rupees One lac only) per bond
Minimum application and in multiples of thereafter	100 bonds (Rs. 1 crore) and then in multiple of 1 bond (Rs. 1 lakh)	100 bonds (Rs. 1 crore) and then in multiple of 1 bond (Rs. 1 lakh)
Issue Timing	10:30 AM to 11:30 AM	11:00 AM to 12:00 PM
Issue Opening date	24.03.2023	24.03.2023
Issue Closing date	24.03.2023	24.03.2023
Date of earliest closing of the issue, if any.	Not applicable	Not applicable
Pay-in-date	27.03.2023	27.03.2023
Deemed Date of allotment	27.03.2023	27.03.2023
Settlement mode of the instrument	Through NSE Clearing Ltd.	Through NSE Clearing Ltd.
Depository	National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")	National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")


  
  
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Disclosure of Interest/ redemption dates	First interest is payable on 27 <sup>th</sup> March 2024 and subsequently on 27 <sup>th</sup> March of every year till maturity and on maturity subject to holiday conventions (As per the Placement Memorandum)	First interest is payable on 27 <sup>th</sup> March 2024 and subsequently on 27 <sup>th</sup> March of every year till maturity and on maturity subject to holiday conventions (As per the Placement Memorandum)
Record Date	15 calendar days prior to actual interest/principal payment date.	15 calendar days prior to actual interest/principal payment date.
All Covenants of the issue (including side letters, accelerated payment clause, etc.)	All covenants to the issue shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.	All covenants to the issue shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.
Description regarding Security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecate on/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum.	The bonds issued are unsecured in nature.	The bonds issued are unsecured in nature.
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1. Letter appointing Trustees to the Bondholders;</li> <li>2. Debenture Trust Deed</li> <li>3. Debenture Trusteeship Agreement;</li> <li>4. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>5. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>6. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar;</li> <li>7. Application made to NSE and BSE for seeking its in-principle approval for listing of Bonds;</li> <li>8. Listing Agreement with NSE and BSE;</li> <li>9. Letters appointing Arrangers to the Issue.</li> </ol>	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1. Letter appointing Trustees to the Bondholders;</li> <li>2. Debenture Trust Deed</li> <li>3. Debenture Trusteeship Agreement;</li> <li>4. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>5. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>6. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar;</li> <li>7. Application made to NSE and BSE for seeking its in-principle approval for listing of Bonds;</li> <li>8. Listing Agreement with NSE and BSE;</li> <li>9. Letters appointing Arrangers to the Issue.</li> </ol>
Conditions precedent to Disbursement	<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 CRISIL, ICRA and CARE not being more than one month old from the issue opening date;</li> <li>2. Seek a written consent letter from the Trustees conveying their consent to act as Trustees for the Bondholders;</li> <li>3. Making an application to NSE and BSE for seeking its in-principle approval for listing of Bonds.</li> </ol>	<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 CRISIL, ICRA and CARE not being more than one month old from the issue opening date;</li> <li>2. Seek a written consent letter from the Trustees conveying their consent to act as Trustees for the Bondholders;</li> <li>3. Making an application to NSE and BSE for seeking its in-principle approval for listing of Bonds.</li> </ol>

  
  
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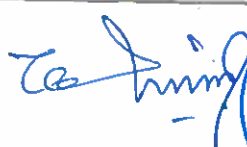


Conditions subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:-</p> <ol style="list-style-type: none"> <li>1. Maintaining a complete record of private placement offers in Form PAS-5.</li> <li>2. Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, within fifteen days of the Deemed Date of Allotment;</li> <li>3. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within the stipulated time period from the Deemed Date of Allotment;</li> <li>4. Making listing application to NSE/ BSE within T+3 days.</li> <li>5. Execution of trust deed before listing of the bonds (T+3 days) and uploading the same on their website along with listing application.</li> </ol> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.</p>	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:-</p> <ol style="list-style-type: none"> <li>1. Maintaining a complete record of private placement offers in Form PAS-5.</li> <li>2. Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, within fifteen days of the Deemed Date of Allotment;</li> <li>3. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within the stipulated time period from the Deemed Date of Allotment;</li> <li>4. Making listing application to NSE/ BSE within T+3 days.</li> <li>5. Execution of trust deed before listing of the bonds (T+3 days) and uploading the same on their website along with listing application.</li> </ol> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.</p>
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>Default in payment of interest / principal redemption / delay in listing / delay in execution of trust deed or as may be detailed in respective trust deed / trustee agreement.</p> <p>In case of event of default, penal interest will be paid in accordance with provisions of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended.</p> <p>Manner of voting/ conditions of joining the Inter Creditor Agreement shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.</p>	<p>Default in payment of interest / principal redemption / delay in listing / delay in execution of trust deed or as may be detailed in respective trust deed / trustee agreement.</p> <p>In case of event of default, penal interest will be paid in accordance with provisions of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended.</p> <p>Manner of voting/ conditions of joining the Inter Creditor Agreement shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.</p>
Creation of Recovery Expense Fund	If required under law, the Issuer undertakes to create a recovery expense fund in the manner as may be specified by SEBI from time to time and inform the Bond Trustee about the same.	If required under law, the Issuer undertakes to create a recovery expense fund in the manner as may be specified by SEBI from time to time and inform the Bond Trustee about the same.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.	Shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.
Provisions related to cross default clause	Not applicable	Not applicable
Role and Responsibilities of Debenture Trustees	<p>The trustees will be responsible for all action as per SEBI regulation and Companies Act 2013.</p> <p>The Trustees shall carry out its duties and perform its functions as required to discharge</p>	<p>The trustees will be responsible for all action as per SEBI regulation and Companies Act 2013.</p> <p>The Trustees shall carry out its duties and perform its functions as required to discharge</p>



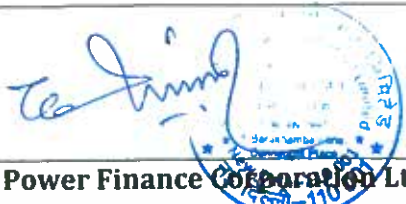

  
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	its obligations under the terms of the Companies Act, 2013, SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Debenture Trusteeship Agreement, Placement Memorandum and all other related transaction documents, with due care, diligence and loyalty.	its obligations under the terms of the Companies Act, 2013, SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Debenture Trusteeship Agreement, Placement Memorandum and all other related transaction documents, with due care, diligence and loyalty.
Risk factors pertaining to the issue	Please refer to Chapter VI (Management's Perception of Risk Factors) of the Placement Memorandum for details in respect of risks relating to Issue of Bonds.	Please refer to Chapter VI (Management's Perception of Risk Factors) of the Placement Memorandum for details in respect of risks relating to Issue of Bonds.
Governing Law and Jurisdiction	The Bonds shall be construed to be governed in accordance with Indian Law. The competent Courts in New Delhi alone shall have jurisdiction in connection with any matter arising out of or under these precincts.	The Bonds shall be construed to be governed in accordance with Indian Law. The competent Courts in New Delhi alone shall have jurisdiction in connection with any matter arising out of or under these precincts.
Mode of Subscription	Successful Bidders shall be required to transfer funds from bank account(s) registered with EBP to the bank account of the Clearing Corporation/ ICL to the extent of funds pay-in obligation on or before 10.30 hours on T+1 or T+2 day as defined by Issuer at the time of issue setup, T being the bidding end date as per the operating guidelines for electronic book mechanism issued by NSE and BSE.	Successful Bidders shall be required to transfer funds from bank account(s) registered with EBP to the bank account of the Clearing Corporation/ ICL to the extent of funds pay-in obligation on or before 10.30 hours on T+1 or T+2 day as defined by Issuer at the time of issue setup, T being the bidding end date as per the operating guidelines for electronic book mechanism issued by NSE and BSE.
Issuance & trading mode of instrument	In demat Only	In demat Only
Interest on Refunded Money against which Allotment is not made	No interest on Application Money will be paid in respect of applications which are invalid and / or rejected by PFC due to any reason.	No interest on Application Money will be paid in respect of applications which are invalid and / or rejected by PFC due to any reason.
Type of Bidding	Closed Bidding	Closed Bidding
Manner of Allotment	Uniform Yield	Uniform Yield
Effect of holidays	<p>For the purpose of standardization, if the coupon/ dividend payment date of the non-convertible securities falls on a Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document.</p> <p>If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.</p> <p>In order to ensure consistency, a uniform methodology shall be followed for calculation of interest payments in the case of leap year. If a leap year (i.e. 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 the entire year, irrespective of whether the</p>	<p>For the purpose of standardization, if the coupon/ dividend payment date of the non-convertible securities falls on a Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document.</p> <p>If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.</p> <p>In order to ensure consistency, a uniform methodology shall be followed for calculation of interest payments in the case of leap year. If a leap year (i.e. 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 the entire year, irrespective of whether the</p>

 	
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	interest is payable annually, half yearly, quarterly or monthly.	interest is payable annually, half yearly, quarterly or monthly.
Reissuance and Consolidation	The Issuer shall have right to reissue or consolidate the bonds under present series in accordance with applicable law.	The Issuer shall have right to reissue or consolidate the bonds under present series in accordance with applicable law.

	
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## THE SECOND SCHEDULE

### **PROVISIONS FOR THE MEETINGS OF THE DEBENTUREHOLDERS**





The following provisions shall apply to the meetings of the Debentureholders:-

1. The Trustee or the Company may, at any time, and the Trustee shall at the request in writing of the holder(s) of Debentures representing not less than one-tenth in value of the nominal amount of the Debentures for the time being outstanding, convene a meeting of the holders of the Debentures. Any such meeting shall be held at such place in the City where the Registered Office of the Company is situated or at such other place as the Trustee shall determine.
2.
  - (i) A meeting of the Debentureholders may be called by giving not less than twenty-one days' notice in writing.
  - (ii) A meeting may be called after giving shorter notice than that specified in sub-clause (i), if consent is accorded thereto by holders of Debentures representing not less than 95% of the Debentures for the time being outstanding.
3.
  - (i) Every notice of a meeting shall specify the place and day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
  - (ii) Notice of every meeting shall be given to:-
    - (a) every Debentureholder in the manner provided in the Trustee Agreement and/or the Applicable Law;
    - (b) the persons entitled to a Debenture in consequence of death or insolvency of a Debentureholder, by sending it through post in a prepaid letter addressed to them by name or by the title of the representatives of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and c) the Auditor or Auditors for the time being of the Company in the manner authorised by Section 20 of the Companies Act, 2013 (the Act) in the case of any members of the Company.
4. The accidental omission to give notice to, or the non- receipt of notice by, any Debentureholder or other person to whom it should be given shall not invalidate the proceedings at the meeting.
5.
  - (i) There shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every director and the manager, if any. Provided that where any item of business as aforesaid to be transacted at a meeting of the Debentureholders relates to, or affects, any other company, the extent of shareholding interest in that company of every director, and the manager, if any, of the first mentioned company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty per cent of the paid up share capital of that other company.





 	
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- (ii) Where any item of business relates to the approval of any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
6. (i) 75% Debentureholders, personally present shall be the quorum for the meeting of the Debentureholders and the provisions of following sub-clause (ii) shall apply with respect thereto.
- (ii) If, within half an hour from the time appointed for holding a meeting of the Debentureholders, a quorum is not present, the meeting, if called upon the requisition of the Debentureholders shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Trustee may determine and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the Debentureholders present shall be the quorum.
7. (i) The nominee of the Trustee shall be the Chairman of the meeting and in his absence the Debentureholders personally present at the meeting shall elect one of themselves to be the Chairman thereof on a show of hands.
- (ii) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act, the Chairman elected on a show of hands exercising (for the time being) all the powers of the Chairman under the said provisions.
- (iii) If some other person is elected Chairman as a result of the poll, he shall be Chairman for the rest of the meeting.
8. The Trustee and the Directors of the Company and their respective Solicitors may attend any meeting but shall not be entitled as such to vote thereat.
9. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in the manner hereinafter mentioned, and unless a poll is so demanded, a declaration by the Chairman that on a show of hands the resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the meeting, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
10. Before or on the declaration of the result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by at least five Debentureholders or by holder(s) of Debentures representing not less than one-tenth of the nominal amount of the Debentures for the time being outstanding, whichever is less, present in person or by proxy.
11. (i) A poll demanded on a question of adjournment shall be taken forthwith.
- (ii) A poll demanded on any other question (not being a question relating to the election of a Chairman) shall be taken at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct.

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12. At every such meeting each Debentureholder shall, on a show of hands, be entitled to one vote only, but on a poll he shall be entitled to one vote in respect of every Debenture of which he is a holder in respect of which he is entitled to vote.
13. (i) Any Debentureholder entitled to attend and vote at the meeting shall be entitled to appoint another person (whether a Debentureholder or not) as his proxy to attend and vote instead of himself.
- (ii) In every notice calling the meeting there shall appear with reasonable prominence a statement that a Debentureholder entitled to attend and vote is entitled to appoint one or more proxies, to attend and vote instead of himself, and that a proxy need not be a Debentureholder.
- (iii) The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy of the power of attorney shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll and in default, the instrument of proxy shall not be treated as valid.
- (iv) The instrument appointing a proxy shall :-
- (a) be in writing; and
- (b) be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- (v) The instrument appointing a proxy shall be on the forms as set out as Form No. MGT.11 of Companies (Management and Administration) Rules, 2014 and shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the Articles.
- (vi) Every Debentureholder entitled to vote at a meeting of the Debentureholders of the Company on any resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
- (vii) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Debenture in respect of which the proxy is given Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used.
14. On a poll taken at any meeting of the Debentureholders, a Debentureholder entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he uses.

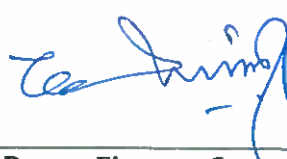


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15. (i) When a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.
- (ii) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (iii) Of the two scrutineers appointed under this Clause, one shall always be a Debentureholder (not being an officer or employee of the Company) present at the meeting, provided such a Debentureholder is available and willing to be appointed.
16. (i) Subject to the provisions of the said Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
- (ii) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
17. In the case of joint Debentureholders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the other joint holder or holders.
18. The Chairman of a meeting of the Debentureholders may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
19. In the case of equality of votes, whether on a show of hands, or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Debentureholder.
20. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
21. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
22. A meeting of the Debentureholders shall, inter alia, have the following powers exercisable in the manner hereinafter specified in Clause 23 hereof :-
- (i) Power to sanction any compromise or arrangement proposed to be made between the Company and the Debentureholders.
- (ii) Power to remove the existing Trustee and request the Company to appoint a new Trustee in respect of the Trust Securities.
23. The powers set out in Clause 22 hereof shall be exercisable by a Special Resolution passed at a meeting of the Debentureholders duly convened and held in accordance with provisions herein contained and carried by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is demanded by a majority representing not less than three-fourths in value of the votes cast on such poll. Such a Resolution is herein called "Special Resolution".
24. Save and except the power of Debentureholders contained in clause 22 above which require Special Resolutions, all other powers of the Debentureholders shall be exercised by the

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simple majority of Debentures Holder representing of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level for the time being outstanding.

25. A Resolution, passed at a general meeting of the Debentureholders duly convened and held in accordance with these presents shall be binding upon all the Debentureholders, whether present or not at such meeting, and each of the Debentureholders shall be bound to give effect thereto accordingly, and the passing of any such resolutions shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such Resolution.
26. Minutes of all Resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered into books from time to time provided for the purpose by the Trustee at the expenses of the Company and any such minutes as aforesaid, if purported to be signed by the Chairman of the meeting at which such Resolutions were passed or proceeding held or by the Chairman of the adjourned meeting shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all Resolutions passed thereat or proceedings taken, to have been duly passed and taken.
27. Notwithstanding anything herein contained, it shall be competent to all the Debentureholders to exercise the rights, powers and authorities of the Debentureholders under the said Trust Deed by a letter or letters signed by or on behalf of the Debentureholders without convening a meeting of the Debentureholders as if such letter or letters constituted a Resolution or a Special Resolution, as the case may be, passed at a meeting duly convened and held as aforesaid and shall have effect accordingly.




 	
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### THE THIRD SCHEDULE

#### ACCOUNT DETAILS

Account Name : PFC BOND SERIES 226 PAYEE BANK ACCOUNT  
Account No. : 054805001547  
Bank Name : ICICI Bank  
Account Type : Current  
ISFC Code : ICIC0000548

 	
Power Finance Corporation Ltd (B9 226 A&B)	Beacon Trusteeship Limited

IN WITNESS WHEREOF the Company and the Debenture Trustee have caused these presents to be executed the day and year first hereinabove written in the manner hereinafter appearing.

SIGNED AND DELIVERED by the within named  
**POWER FINANCE CORPORATION LTD.**  
In its capacity of the **Company** by the hand of

Ms. Tusarkant Parida

its duly authorised official.

कृते पावर फाइनेंस कॉर्पोरेशन लि.  
For Power Finance Corporation Ltd.

  
आधिकृत हस्ताक्षरकर्ता  
Authorised Signatory




SIGNED and DELIVERED by the within named  
**BEACON TRUSTEESHIP LIMITED**  
in its capacity as the **Trustee** by the hand of

Shri Satinder Pal Singh

its duly authorised official.

For Beacon Trusteeship Limited

  
Authorised Signatory

 	
Power Finance Corporation Ltd (BS 226 A&B)	Beacon Trusteeship Limited