

(X) TERM SHEET: ISSUE DETAILS

Security Name	APSBCL Bonds Series II 2022 – 23
Issuer	Andhra Pradesh State Beverages Corporation Limited (APSBCL), a company wholly owned by the Government of Andhra Pradesh.
Type of Instrument	Secured, Rated, Listed, Redeemable, Taxable Non-Convertible Bonds; supported by Unconditional & Irrevocable Guarantee as a continuing obligation by the Government of Andhra Pradesh for the timely servicing of the interest and principal in respect of such Bonds.
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	(a) individuals; (b) Hindu Undivided Family; (c) trust; (d) limited liability partnerships; (e) partnership firm(s); (f) portfolio managers registered with SEBI; (g) association of persons; (h) companies and bodies corporate including public sector undertakings; (i) scheduled commercial banks; (j) regional rural banks; (k) financial institutions; (l) insurance companies; (m) mutual funds; (n) foreign portfolio investors; and (o) any other investor eligible to invest in the Bonds as per applicable law.
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of BSE
Issue Size	INR 500 crores plus Green Shoe Option to retain over subscription of upto INR 3,195 crores i.e. for an aggregate issue size of INR 3,695 crores., out of which the Issuer has accepted bids for subscription to Bonds of INR 1,700 Crores under APSBCL Bond Series II 2022-23, comprising of base issue of INR 500 Crores and green shoe option of INR 1,200 Crores.
Objects of the Issue	The net proceeds out of the issue, after payment of issue related expenses, would be used by Issuer for implementing the socio-economic programmes, in accordance with the provisions of the Memorandum of Association and Articles of Association of the Issuer.
Details of the utilization of the Proceeds	As mentioned above
Credit Rating of the Instrument	Provisional IND AA(CE)/Stable from India Ratings and Research Pvt Ltd Provisional ACUITE AA+(CE)/Stable from Acuité Ratings & Research Limited
Fixed Coupon Rate	9.62% per annum payable quarterly
Step Up/Step Down Coupon Rate	Not applicable
Coupon Payment Frequency	Quarterly - as per cash flow
Coupon payment dates	As per cash flow
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not applicable
Day Count Basis	Actual / Actual

Interest on Application Money	Not applicable
Default Interest Rate	Including but not restricted to the following: • In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over and above the Coupon Rate will be payable by the Issuer for the defaulting period on defaulted amount. • In the event the Security stipulated is not created and perfected within the timelines as stipulated in the column titled 'Security', additional interest @ 1% (one percent) per annum or such higher rate as may be prescribed by law, shall be payable on the principal amount of the Debt Securities till the date of perfection of the Security. • In case of delay in listing beyond 4 (four) Business Days from the Issue Closing Date, the Company will pay additional interest @ 1% p.a. over and above the Coupon Rate to the Bond Holders, from the deemed date of allotment till the listing of Bonds. Further, the Company shall be permitted to utilise issue proceeds of its subsequent two privately placed issues only after receiving final listing approval from the Stock Exchange.
Tenor	1-10 years under 10 different Sub-Series ('A' to 'J')
Redemption Date and Amount	The base issue of INR 500 Crores plus green shoe option would comprise of 10 Sub-Series (A to J) as mentioned above of sequentially, redeemable bonds in equal quarterly amount. Each of the Sub-Series from A to J would be redeemable in 4 (four) equal quarterly instalments of 2.50% each of the aggregate issue size with the redemption of Sub Series A commencing from the end of 1st servicing quarter from the date of allotment. Similarly, redemption of Sub Series B would commence from the end of 5th servicing quarter and so on (as per cash flow)
Redemption Premium/ Discount	None
Issue Price per bond in each Sub-Series	At par (INR 10 lakh) per Bond
Face Value per bond in each Sub-Series	Bonds of INR 10 lakh each
Put Date	Not Applicable
Put Price	Not Applicable
Call Date	Not Applicable
Call Price	Not Applicable
Put Notification Time (Timelines by which the investor needs to intimate Issuer before exercising the put)	Not Applicable
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	Not Applicable
Issuance and Minimum Subscription	Issuance in Demat form; Minimum Subscription of INR 100 lakhs (comprising 1 bond of INR 10 lakhs Face Value in each Sub-Series A to J) and in multiples thereof.

Trading mode of the Instrument	Demat only, in lots of 1 Bond of any sub-series of face value of INR 10 lakhs each.
Business Day Convention	If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next Business day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document. If the redemption date of the Bonds, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly. If the redemption date and coupon payment date of the Bonds falls together on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on previous working Business Day along with coupon accrued on the Bonds until but excluding the date of such payment. #In terms of the SEBI Operational Circular SEBI / HO / DDHS / P / CIR / 2021 / 613 dated August 10, 2021, interest / redemption payments shall be made only on the days when the money market is functioning in Mumbai.
Issue Opening Date	19.12.2022
Issue Closing Date	19.12.2022
Pay-in Date	21.12.2022
Deemed date of allotment	21.12.2022
Settlement mode of the Instrument	Demat only
Disclosure of Interest / dividend / redemption dates	As mentioned in cash flow
Record Date	15 (fifteen) days prior to each Coupon Payment Date and Redemption Date. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
All covenants of the issue	a. Unconditional and irrevocable guarantee from the Government of Andhra Pradesh for the timely servicing of the interest and principal in respect of such Bonds. b. APSBCL Debt Service Reserve Account (Series II) to the extent of fully covering the servicing requirement of two quarters as liquidity support. c. Default Escrow Covenant (Enumerated below) to take care of DSRA Impairment d. Stipulation for invocation of Government Guarantee for impairment of funds in Debt Service Reserve Account (Series II) to a level below the servicing requirement for the immediate servicing quarter. e. Unconditional and Irrevocable undertakings from the State Government by way of contractual agreement (as integral part of Deed of Guarantee). f. Remedial action under Special conditions

Business Model and Transaction Structure of the Issuer	APSBCL is the sole distribution agency for liquor in the State of Andhra Pradesh which is carried out through 29 depots and 2934 retail outlets as well as licensed private restaurants and bars spread across 26 districts of the State. The Sale proceeds from each outlet is deposited on every working day in the Pool Account maintained with State Bank of India. On the basis of accompanied tagged challan, the amount (Net Revenue) comprising the basic price, all margins, commissions and special margin is transferred from the Pool Account to the APSBCL Net Revenue Receipt Account of the Issuer on the same day.
APSBCL Net Revenue Receipt Account under Default Escrow Mechanism	The APSBCL Net Revenue amount would be transferred to the “APSBCL Net Revenue Receipt Account”. The company has opened the said account with Bank of Baroda. As mentioned above, the transfer of funds to this account is being carried out through an irrevocable standing instruction to State Bank of India by the State Government. As per the procedure detailed under Structured Payment Mechanism, a pre-defined amount from this account would be transferred every working day to the respective debt servicing accounts of the various series of debt liabilities (constituting Permitted Indebtedness as defined below) on first priority basis. Thereafter the Issuer would be free to utilize the balance fund as per its requirement on a day to day basis. The issuer is following this procedure in respect of APSBCL Bonds Series I 2022 – 23 and the same process would be followed in an identical manner for this series also. There would be a default escrow right given on the funds available in this account, which can be triggered unilaterally by Debenture Trustee under certain conditions arising out of the above each working day transfer mechanism not being properly adhered to. This default escrow right would be on pari-passu basis with the APSBCL Bonds Series I 2022 – 23 issued earlier and for any other debt raised later within the limits of Permitted Indebtedness. ❖ This account would be under default escrow mechanism under which the Issuer would be free to use any residual part after meeting the each working day transfer obligation under normal circumstances. However, in the event of DSRA impairment of any amount, this account would be escrowed and funds utilized for DSRA replenishment and for building servicing amount in the Bond Servicing Account. This default escrow enforcement would continue, on a pro-rata and pari-passu basis with respect to bonds issued under APSBCL Bonds Series I 2022 – 23 and the proposed Series along with and other Permitted Indebtedness, till such time full replenishment of DSRA and full build-up of servicing amount for the relevant quarter are achieved.
APSBCL Bond Servicing Account (Series II)	The Issuer would be required to open a designated escrow account - “APSBCL Bond Servicing Account (Series II)” exclusively for the benefit of and charged to the Debenture Trustee (on behalf of the bond holders of Series II). ❖ This is a Regular Escrow Account and all funds in this account would be solely utilized for servicing of APSBCL Bonds Series II 2022 – 23 throughout the tenor of these bonds.
APSBCL Debt Service Reserve Account (Series II) (DSRA)	The Issuer would be required to open a designated escrow account - “APSBCL Debt Service Reserve Account (Series II)” exclusively for the benefit of and charged to the Debenture Trustee (on behalf of the bond holders under Series II).

	An amount equivalent to the servicing obligation (Principal & Interest) of the outstanding bonds for next 2 (two) quarters would need to be created and maintained by the Issuer till the final redemption of the bonds. The DSRA amount so calculated would need to be deposited atleast 1(one) day prior to the date of allotment of the bonds. The DSRA would be in the form of cash or cash equivalent (deployed in Permitted Investments).
Structured Payment Mechanism	As mentioned above, the Issuer would, starting from the 1st day of each quarterly servicing cycle, remit on every working day an amount equivalent to 1.67% of the aggregate servicing requirement for such quarterly servicing cycle of outstanding bonds issued under Series II from its APSBCL Net Revenue Receipt Account to APSBCL Bond Servicing Account (Series II). This transfer should be by way of irrevocable standing instruction to Bank of Baroda, this transfer would be on pro-rata and pari-passu basis with that of APSBCL Bonds Series I 2022 – 23 bonds. In case of any further borrowings, the same mechanism would also be followed for the servicing of entire liability on a pari-passu / pro-rata basis upto the level of Permitted Indebtedness. Shortfall of transfer (if any) on any particular day would get cumulative and be carried forward to the next day(s) on a rolling basis. The transfers during a particular quarterly servicing cycle on the above mode should continue till the full build-up of the servicing requirement for that particular quarterly servicing cycle is achieved in the APSBCL Bond Servicing Account (Series II). The Issuer would be free to utilize excess amount, if any, lying in the APSBCL Net Revenue Receipt Account, after meeting all such transfers on a day to day basis. The Debenture Trustee would independently monitor the adequacy of collection in the APSBCL Bond Servicing Account (Series II). In the event of full built up of servicing amount not being achieved in any quarter, for whatsoever reason, 15 (fifteen) days prior to the relevant servicing date (T-15), the debenture trustee should inform the Issuer, through written communication, to fund the shortfall within the next 12 (twelve) days. On T-2nd day, if the shortfall still persists, then Debenture Trustee would meet such shortfall by transferring funds from the APSBCL Debt Service Reserve Account (Series II) and make the necessary payments to the debenture holders on the due date. If any of the milestone days mentioned in the T-structure above happens to be a holiday/ bank's non-working day, the immediate preceding bank working day would be the deemed date for execution of the relevant action.
Remedial Action Consequential to Impairment of DSRA	In the event of impairment of APSBCL Debt Service Reserve Account (Series II) on account of meeting servicing obligation on any bond servicing date: (i) The Debenture Trustee would immediately trigger the escrow mechanism on the APSBCL Net Revenue Receipt Account of the Issuer and immediately transfer the balance lying there-in to the APSBCL Debt Service Reserve Account (Series II). Any further accrual to the said account would also get transferred on each working day until the DSRA amount is fully replenished. This transfer for replenishment of DSRA would be on pro-rata and pari-passu basis to the extent of shortfall, if any,

	in DSR Accounts of APSBCL Series I bonds or to that of any other future liabilities to the extent of Permitted Indebtedness. (ii) Once all the DSR Accounts in respect of Permitted Indebtedness are fully replenished, the entire amount of further funds received in the said Account would get transferred on each working day to APSBCL Bond Servicing Account (Series II) and (Series I) bonds on pro-rata and pari-passu basis till the full build-up of servicing requirement of such quarter are achieved. This recourse would be available to the entire borrowings upto the level of Permitted Indebtedness on pari-passu / pro-rata basis. Once these build-ups are achieved, the default escrow mechanism would be relaxed till any further DSRA impairment.
Permitted Investments	The funds in the APSBCL Bond Servicing Account (Series II) and DSRA Account (Series II) till such time being utilized would be allowed to be invested in Permitted Investments i.e. (i) Fixed Deposits with Scheduled Commercial Banks with a minimum credit rating of AA, and/ or (ii) in units of liquid / short term / overnight mutual funds / PSU bonds having the highest possible investment grade rating. These investments will be pledged / charged in favour of the Debenture Trustee. These investments would be made & liquidated by the Debenture Trustee as per the instruction of the Issuer from time to time. However, any investment of funds in APSBCL Bond Servicing Account (Series II) other than in Bank FDs would be compulsorily liquidated by the Debenture Trustee on T-3 day if not liquidated earlier. The investment in Bank FDs, out of funds lying in APSBCL Bond Servicing Account (Series II) should have a maturity date at least 1 (one) day prior to the next bond servicing date. Similarly, in case of any shortfall persisting in the APSBCL Bond Servicing Account (Series II) on T-9 days, the trustee should ensure availability of adequate funds to meet such shortfall in cash form in the DSRA (Series II), if required, through need based liquidation of Permitted Investments.
Permitted Indebtedness	The Issuer would be allowed to raise further liabilities as per its requirement from time to time. However, the aggregate external liability (including all forms of guarantee obligation & contingent liability) should at all times be restricted to an amount such that the minimum Debt Service Coverage Ratio remains at-least 1.50x throughout the tenure of all the bonds. All liabilities raised would enjoy pari-passu status in respect of seniority, security and servicing priority. However, in the event of any subsequent liability being raised on more favourable covenants, the same shall apply, mutatis mutandis, to APSBCL Bonds Series I 2022 – 23 & APSBCL Bonds Series II 2022 – 23. If Debt Service Coverage Ratio (DSCR) of the Issuer falls lower than 1.35x consecutively on 2 semi-annual testing dates or below 1.30x on any particular testing date, the Issuer would be required to pay an additional interest @ 1% till such time the DSCR gets restored to 1.50x. Such semi-annual DSCR testing will be done on trailing 12 months basis, every June & December, based on C.A. Certified / Audited Financials for the period ending March & September respectively. DSCR shall mean the ratio of (a / b) as below: (a) an amount equivalent to EBITDA of the Issuer less all Taxes and statutory

	dues, paid or to be paid, for the immediately preceding 12 (twelve) months before the Testing Date, where “EBITDA” means the earnings of the Issuer before interest, taxes, depreciation, amortization and optional expenses for social sector funding from the residual liquidity (pursuant to servicing of debt), as reflected in the profit and loss account of the Issuer and adjusting for any non-cash income and expenses, excluding any exceptional items and excluding any impact arising out of the adoption of the IndAS standards on leases (IndAS 116). (b) an amount equivalent to all Financial Indebtedness (including all applicable interests and other charges in respect of such Financial Indebtedness) for the immediately preceding 12 (twelve) months before the Testing Date.
Security	The Bonds would be secured by way of 1) Exclusive Charge on the APSBCL Bond Servicing Account (Series II) and the amount transferred therein, which shall be utilized only for servicing of the bonds on quarterly servicing dates. 2) Exclusive Charge on the DSRA Account (Series II) and the funds lying there-in. 3) First charge on the APSBCL Net Revenue Receipt Account and the amount accruing / lying there-in, out of which transfer of funds on each working day for bond servicing is required to be made with default escrowing rights under specific circumstances. This charge would be on a pari-passu / pro-rata basis on the entire debt liability raised by the Issuer within the stipulation of Permitted Indebtedness including APSBCL Bonds Series I 2022 – 23 issued earlier to the extent of INR 8,305 crores. These charges should be created through a Deed of Hypothecation in favour of the Debenture Trustee, immediately after allotment of debenture and prior to making application for listing. The above charge would be filed with the office of the concerned Registrar of Companies and Central Registry of Securitisation Asset Reconstruction and Security Interest (“CERSAI”).
Collateral Support Structure	The bonds would have further collateral support by way of Unconditional & Irrevocable Guarantee as a continuing obligation by the Government of Andhra Pradesh, for the timely servicing of the interest and principal in respect of such Debentures / Bond. Further the Guarantee Agreement should also provide for necessary fund infusion in the DSRA Account (Series II) in the event of impairment to the extent called upon by the Debenture Trustee. Any fund support from the State Government if required for servicing of these bonds should be by way of direct transfer from the State Government Account to DSRA Account (Series II) and should not be routed through any other account of APSBCL. Further the State Government in terms of its Memo No. REV01-CPE0MISC/3/2020 – Excise, Dated 14/06/2022 has provided an unsecured non-interest bearing loan of INR 1412.62 Crores of unsecured non-interest bearing loan to the issuer which shall be sub-servient to the obligation of issuer in respect of all permitted indebtedness. Since, the proposed issue of APSBCL Bonds Series II 2022 – 23 along with the earlier issuance of INR 8305 Crores under APSBCL Bonds Series I 2022 – 23 constitutes a part of permitted indebtedness, the said loan by the state government would remain

	subordinated to these debentures.in terms of all covenants as stipulated in the above mentioned sanction Memo.
Invocation of State Government Guarantee for Shortfall in DSRA	In case of any event, on any pay-out date (Ti) leading to the funds available in DSRA (Series II) being lower than the servicing requirement for the immediate next servicing date (Ti +90), a final notice would be served to the State Government on the next working day (Ti +1). It would state the intention to invoke the State Government Guarantee in case the situation is not remedied within the next 10 (ten) days (Ti +11). If the irregularity continues beyond the above timeline, the Debenture Trustee shall invoke the State Government Guarantee on the next working day (Ti +12) to the extent of such shortfall in DSRA (Series II) from the stipulated level. Such invocation of State Government Guarantee can be made any number of times throughout the tenure of the bonds if the situation so warrants.
Unconditional and Irrevocable undertakings from the State Government by way of Contractual Agreement.	The State Government would be required to give Unconditional and irrevocable Undertaking by way of entering into contractual agreement under the Guarantee Deed for: 1) it shall not amend or discontinue the Issuer's sole monopoly and complete control over the distribution of alcoholic beverages in the State of Andhra Pradesh, enabling the collection, ownership and retention of Special Margin; 2) it shall not impose total / partial prohibition on consumption or sale of alcoholic beverages in any part of the State of Andhra Pradesh, save and except for any temporary prohibition imposed due to administrative reasons for a period not exceeding 30 (thirty) days in selected areas which collectively contributed to not more than 2% (two per cent) of the total sales revenue of alcoholic beverages in the State of Andhra Pradesh, during the preceding financial year; 3) it shall not issue or approve any change the pricing policy or distribution policy of alcoholic beverages in any manner that would adversely impact the rights of the Secured Parties in respect of the Net Revenue or adversely impact the Net Revenue of the Issuer such that Issuer is not able to maintain a Debt Service Coverage Ratio on its aggregate borrowing at a minimum level of 1.5 times on a sustained basis; 4) it shall not change or issue any instruction that shall change the manner of withdrawal of the Net Revenue from the APSBCL Net Revenue Receipt Account as agreed in the Transaction Documents; 5) It shall maintain 100% (one hundred percent) shareholding in the Issuer and shall continue to have Control over the Issuer 6) It shall retain the Issuer as the sole distributor of alcoholic beverages in the State of Andhra Pradesh and the Net Revenue shall continue to accrue to the Issuer 7) It shall maintain the corporate structure of the Issuer in the present form and shall not undertake any restructuring / reorganization of the Issuer without prior approval of Debenture Trustee; and 8) It shall continue with the existing policy of procuring liquor from suppliers by way of tenders only and shall make payments to such suppliers only upon sale of such liquor by the Issuer to consumers/ holders of liquor license and realization of the proceeds therefrom, until the Final Settlement Date. These obligations should be an integral part of the Guarantee Deed, which should remain in full force and effect till the final redemption of the bonds.
Special Condition	In the event of imposition of any partial / total prohibition on sales and consumption of liquor in the State of Andhra Pradesh, the State Government

	of Andhra Pradesh would be obligated to take necessary steps for premature redemption of the bonds during a period of next 3 Months. The interest rate on the Bonds for the intervening period till redemption would stand enhanced by 1.00% per annum. The default escrow mechanism on the APSBCL Net Revenue Receipt Account would remain activated and the entire amounts therein would get transferred, on pro-rata basis over the aggregate outstanding Permitted Indebtedness, to the APSBCL Bond Servicing Account (Series II), till the redemption of the Bonds. The above would not be applicable in respect of any temporary prohibition imposed due to administrative reasons for a period not exceeding 30 (thirty) days, in selected areas which contributed in the aggregate not more than 2% (two per cent) of the total sales revenue of alcoholic beverages in the State of Andhra Pradesh, during the preceding financial year. In the event of the above not being adhered to, the same would be considered as an Event of Default (EOD). In the event sale of alcoholic beverages is temporarily suspended in the State of Andhra Pradesh (either in the entire State or parts of the State, as the case may be), due to reasons beyond the control of the Issuer or the Guarantor, the premature redemption of Bonds as mentioned above shall not be triggered provided (i) the Guarantor makes an interim arrangement (to the extent of inadequacy, or otherwise, as may be required) by assigning a specific source of revenue for servicing the Bonds until such temporary suspension is withdrawn; and (ii) there is no impairment of Debt Service Reserve Amount (Series II).
Guarantor	Government of Andhra Pradesh
Transaction Documents	1. Disclosure Document 2. Debenture Trustee Agreement 3. Credit Rating Letters and Rationale 4. In-Principle Approval from Exchanges 5. Debenture Trust Deed 6. Deed of Guarantee cum Undertaking 7. Continuation Letter to the Deed of Guarantee 8. Contractual Agreement and Gazette Notifications. 9. Deed of Hypothecation 10. Escrow Account Agreement 11. Default Escrow Account Agreement 12. Due diligence certificate issued by Debenture Trustee 13. Tripartite Agreement between the Issuer, Registrar and Depositories (NSDL and CDSL) for issue of debentures in dematerialized form. 14. Such other documents as may be specified as transaction documents by the Debenture Trustee
Conditions Precedent to Disbursement	1. A copy of the constitutional documents (including certificates of incorporation) of the Issuer certified as a true copy by its Company Secretary / director. 2. A copy of a resolution of the Board (including any committee thereof) of the Issuer authorizing and approving the Issue of the Bonds: 3. A copy of the shareholders' resolution of the Issuer approving the terms of and creation of security(ies) to secure the Debentures, pursuant to Section 180(1) (a) of the Act. 4. A copy of the shareholders' resolution of the Issuer approving the borrowing limits of the Issuer under Section 180(1) (c) of the Act.

	5. A copy of the shareholders' resolution of the Issuer approving the issue of the Bonds, on private placement basis, pursuant to the provisions of Sections 42 and 71 of the Act. 6. A certificate from the company secretary / an authorised signatory of the Issuer certifying that the borrowing, guaranteeing, or collateralizing of the Bonds (as applicable) and other related amounts under the Transaction Documents would not cause any borrowing, collateralizing, guaranteeing or similar limit (as applicable) binding on it to be exceeded. 7. Execution of the Transaction Documents (other than those required to be executed as Conditions Subsequent) and such other documentation as may be required by the Debenture Trustee. 8. Receipt by the Debenture Trustee of the provisional rating letter and rating rationale from Ratings Agencies, issued to the Issuer in respect of the Bonds. 9. Receipt of the consent letter from the Debenture Trustee by the Issuer and execution of agreement with the Registrar and Transfer Agent and depository. 10. Receipt by the Issuer of in-principle approval from the Designated Stock Exchange. 11. The Company shall have submitted to the prospective Bond Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective 'know your client' requirements. 12. Evidence of receipt of ISIN. 13. Evidence of filing of the Board Resolution or the Shareholders' Resolution with registrar of companies. 14. Provide to the Debenture Trustee evidence of the opening of the Accounts. 15. The deposit of the Debt Service Reserve Amount in the APSBCL Debt Service Reserve Account (Series II) at least 1 (one) day prior to the Deemed Allotment Date and provision of documentary evidence by way of a copy of the APSBCL Debt Service Reserve Account (Series II) statement certified by the Account Bank, confirming that the requisite Debt Service Reserve Amount has been credited to the APSBCL Debt Service Reserve Account (Series II), at least 1 (one) day prior to the Deemed Date of Allotment. 16. Providing a certificate to the Debenture Trustee of an authorised signatory of the Issuer and certifying that: a. no Event of Default or Potential Event of Default has occurred and is continuing, and no such event or circumstance will result as a consequence of the Issuer performing any obligation contemplated under the Transaction Documents, b. there is no Material Adverse Effect and there are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect on the Issuer, c. proceeds of the Debentures shall be utilised in accordance with the Transaction Documents, d. the Issuer is and will be, after issuance of the Debentures, in full compliance with all provisions of the Transaction Documents, its charter, any document to which it is a party or by which it is bound, and any laws applicable to it, e. there are no undisputed Tax dues or liabilities of the Issuer, f. no proceedings have been initiated or are pending against the Issuer under the Income Tax Act, 1961, which will have Material Adverse Effect on the Issuer
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	g. no notice has been served on the Issuer in terms of Rule 2 of the Second Schedule to the Income Tax Act, 1961, and h. no material claims have been received in respect of any tax or any other sum payable by the Issuer as a result of completion of any proceedings under the Income Tax Act, 1961; and i. the properties to be hypothecated by the Issuer to secure the Debentures do not qualify as “assets” as per the explanation provided in Section 281 of the Income Tax Act, 1961, and accordingly Section 281 of the Income Tax Act, 1961 is not applicable to the Issuer in respect of such hypothecation. 17. Legal opinion to be issued by the legal counsel to the Debenture Trustee to be in agreed form. 18. A no objection certificate from the existing lenders or security trustee (as the case may be) of the Financial Indebtedness incurred by the Issuer in a form and manner satisfactory to the Debenture Trustee. 19. Copy of standing instruction given by the Company to Account Bank to debit APSBCL Net Revenue Receipt Account and credit to Bond Servicing Account, in accordance with the terms of the Net Revenue Receipt Account Agreement. 20. Evidence that all amounts payable to discharge the Existing Indebtedness has been paid in full to the Existing Indebtedness Lender.
Condition Subsequent to Disbursement	1. Execution of the Debenture Trust Deed and the Deed of Hypothecation and creation of charge over the Secured Properties in favour of the Debenture Trustee (for the benefit of the Debenture Holders) immediately after the Deemed Date of Allotment, but prior to making the application for listing. 2. Receipt by the Debenture Trustee of the ‘no dues’ certificate and confirmation of release of charge over the Securities from the Existing Indebtedness Lender, within 2 (two) working days from the Issue Closing Date, and in any event before the execution of the Deed of Hypothecation. 3. Filing of requisite forms with the Registrar of Companies, and the Central Registry of Securitisation Asset Reconstruction and Security Interest of India by the Issuer, and making of such disclosure(s) as may be required under Applicable Law, for perfection of the Security Interest created in terms of the Transaction Documents, in accordance with Applicable Law, on or prior to expiry of 30 (thirty) calendar days from the Deemed Date of Allotment. 4. Providing an end use certificate certified by an independent chartered accountant within 30 (thirty) days of the Deemed Date of Allotment. 5. Within 4 (four) working days of the Issue Closing Date, providing the final listing approval from the Designated Stock Exchange in respect of listing of the Bonds on the wholesale debt market segment of the Designated Stock Exchange. 6. Within 7 (seven) days of Deemed Date of Allotment, the Company shall provide certified copy of all corporate actions approving and allotting the Bonds. 7. Within 2 (two) working days of Deemed Date of Allotment, the Company shall credit the dematerialized accounts of the Bond Holders with the Bonds. 8. The Company shall provide evidence of maintenance of a complete record of the private placement offers in Form PAS – 5 maintained by the Company in accordance with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, (as amended from time to time). 9. Within 30 (thirty) days from the Deemed Date of Allotment, the Company shall provide evidence of filing of a return of allotment on the issue of the

	Bonds in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, (as amended from time to time) by the Company. 10. Within 15 (fifteen) days of the Deemed Date of Allotment, the Issuer shall have informed the Guarantor about the amount raised through the issuance of the Bonds alongwith the redemption schedule of the Bonds.
Creation of recovery expense fund	The Issuer has created the Recovery Expense Fund for a maximum limit of INR 25,00,000 (Indian Rupees Twenty-Five Lakh only) in accordance with the SEBI REF Circular with the BSE Limited.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Conditions amounting to breach of covenants, their cure period, breaches which constitute Events of Default and their consequences shall be as mentioned in the Debenture Trust Deed
Provisions related to Cross Default Clause	Occurrence of any event of default under APSBCL Bonds Series I 2022 – 23 or any other liabilities falling within the ambit of Permitted Indebtedness.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	i. Non-payment of any bond servicing obligation on due date. ii. Any failure on behalf of Issuer to perform or comply with one or more of its material obligations in relation to the bonds issued in pursuance of terms and conditions stated in the Disclosure Document and Debenture Trustee Agreement which in opinion of the Trustee is incapable of remedy. iii. Breach of Contractual Agreement given by the State Government if not remedied as mentioned above with 30 (thirty) working days. iv. Failure to honor State Government Guarantee invoked for replenishment of funds in DSRA (Series II) within stipulated timelines. v. Application for initiation of any insolvency proceedings against the Issuer under any applicable bankruptcy / insolvency / winding up or other similar law (including the IBC) filed any time during the pendency of the bonds and not stayed or dismissed within 7 (seven) days from the date of such filing. The manner of voting and conditions of joining inter creditor agreement, in case of occurrence of an Event of Default, shall be such as may be prescribed under the Applicable Laws.
Remedies	In the event of occurrence of the EOD mentioned above, the Debenture Trustee shall 1) Initiate legal recourse against the Issuer for recovery of dues. 2) Give a final notice to the State Government clearly stating its intention to invoke the Guarantee and enforce its rights under the Deed of Guarantee if the situation persists for a period of more than 15 (fifteen) working days from the date of such notice. Upon continuation of such event, beyond the time stipulated above, the Debenture Trustee shall invoke the Security and Guarantee of the State Government on the next working day. The invocation of Security and Guarantee for any default would cover the entire liabilities remaining outstanding in these bonds. The escrowing right on the APSBCL Net Revenue Receipt Account of the Issuer by way of transfer on each working day to APSBCL Bond Servicing Account (Series II) would continue to remain active and operational till all the outstanding liabilities get settled.

	Prior to invocation of the Guarantee, the obligations with respect to the Bonds issued under APSBCL Bond Series II 2022 – 23 in terms of the Transaction Documents shall be solely upon the Issuer and the liability of the Guarantor shall not be direct but contingent to the terms of invocation set out in the Guarantee Deed. Upon invocation of the guarantee, the Guarantor (Government of Andhra Pradesh) shall be construed as a principal debtor and will be directly and primarily liable for discharge of the obligations with respect to the Bonds issued under APSBCL Bond Series II 2022 – 23. Upon invocation of Guarantee, the liability on account of the outstanding Bonds including payments with respect to shortfall in DSRA (Series II), shall become the direct and primary liability of the Guarantor (Government of Andhra Pradesh) and shall be treated at par with all other liabilities of the Guarantor.
Roles and responsibilities of Debenture Trustee	In accordance with applicable law and the Transaction Documents
Risk factors pertaining to the Issue	As detailed in this Placement Memorandum under the head “Management Perception of Risk Factors”
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of the Courts at the city of Vijayawada and Mumbai only.
SEBI Electronic Book Mechanism Guidelines	The final subscription to the Bonds shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the SEBI Electronic Book Mechanism Guidelines by placing bids on the electronic book platform during the Issue period. Minimum Bid Lot: INR 100 lakhs (comprising 1 Bond of INR 10 lakhs Face Value in each Sub-Series ‘A’ through ‘J’) and in multiples thereof. Manner of bidding: Closed Book Manner of Allotment: Uniform Price Manner of Settlement: Through ICCL Settlement Cycle: T+ 2 (T= Bidding date i.e. December 19, 2022)
Trustees	Beacon Trusteeship Limited
Registrar	BEETAL Financial & Computer Services Pvt Ltd.

Note:

- The term “working day” as used in the Term Sheet above means a day on which the sale of alcoholic beverages is permitted in the State of Andhra Pradesh.
- For the avoidance of doubt, it is clarified that in case any working day does not fall on a Banking Day, the amount to be transferred on each working day(s) from the APSBCL Net Revenue Receipt Account to APSBCL Bond Servicing Account (Series II) shall be cumulated on a rolling basis and be carried forward and aggregated with the funding requirement on the immediately following Banking Day.

* Subject to deduction of tax at source as applicable.

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

While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Bond Trustee, it is the duty of the Bond Trustee to monitor that the security is maintained.

(Y) DISCLOSURE OF CASH FLOWS: as per SEBI Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time

Company	Andhra Pradesh State Beverages Corporation Limited
Tenure	1-10 years under 10 different Sub Series
Face Value (per security)	INR 10,00,000
Date of Allotment	21.12.2022
Final Redemption Date	Each of the Sub-Series from A to J would be redeemable in 4 (four) equal quarterly instalments of 2.50% each of the aggregate issue size with the redemption of Sub Series A commencing from the end of 1 st servicing quarter from the date of allotment. Similarly, redemption of Sub Series B would commence from the end of 5 th servicing quarter and so on
Fixed Coupon Rate	9.62% per annum payable quarterly
Frequency of the interest payment with specified dates	Quarterly. Dates as stated in the illustrative cash flow
Day count Convention	Actual/Actual

ILLUSTRATIVE CASH FLOW PER BOND FOR EACH SUB-SERIES OF THE BONDS

(Amounts in Rs.)

Dates	A	B	C	D	E	F	G	H	I	J	Total
Issue Price per bond	10,00,000.00	10,00,000.00	10,00,000.00	10,00,000.00	10,00,000.00	10,00,000.00	10,00,000.00	10,00,000.00	10,00,000.00	10,00,000.00	1,00,00,000.00
Average Maturity (Years)	0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.50	
Price on Value Date	10,00,000	9,99,999.99	10,00,000.00	10,00,000.01	10,00,000.00	9,99,999.98	10,00,000.03	10,00,000.01	9,99,999.99	10,00,000.01	1,00,00,000.02
Wednesday, 21 December, 2022											
Wednesday, 21 December, 2022	-10,00,000.00	-10,00,000.00	-10,00,000.00	-10,00,000.00	-10,00,000.00	-10,00,000.00	-10,00,000.00	-10,00,000.00	-10,00,000.00	-10,00,000.00	-1,00,00,000.00
Wednesday, 21 December, 2022	-	-	-	-	-	-	-	-	-	-	-
Tuesday, 28 February, 2023	2,68,185.75	18,185.75	18,185.75	18,185.75	18,185.75	18,185.75	18,185.75	18,185.75	18,185.75	18,185.75	4,31,857.53
Wednesday, 31 May, 2023	2,68,185.75	24,247.67	24,247.67	24,247.67	24,247.67	24,247.67	24,247.67	24,247.67	24,247.67	24,247.67	4,86,414.79
Thursday, 31 August, 2023	2,62,123.84	24,247.67	24,247.67	24,247.67	24,247.67	24,247.67	24,247.67	24,247.67	24,247.67	24,247.67	4,80,352.88
Thursday, 30 November, 2023	2,55,996.03	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	4,71,853.01
Thursday, 29 February, 2024		2,73,918.58	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	4,65,267.21
Friday, 31 May, 2024		2,68,136.07	24,181.42	24,181.42	24,181.42	24,181.42	24,181.42	24,181.42	24,181.42	24,181.42	4,61,587.43
Friday, 30 August, 2024		2,61,959.29	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	4,53,307.92
Friday, 29 November, 2024		2,55,979.64	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	23,918.58	4,47,328.28
Friday, 28 February, 2025			2,73,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	4,41,872.88
Friday, 30 May, 2025			2,67,988.08	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	4,35,876.85
Friday, 29 August, 2025			2,61,992.05	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	4,29,880.82
Friday, 28 November, 2025			2,55,996.03	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	4,23,884.79
Friday, 27 February, 2026				2,73,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	4,17,888.77
Friday, 29 May, 2026				2,67,988.08	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	4,11,892.74
Monday, 31 August, 2026				2,62,387.40	24,774.79	24,774.79	24,774.79	24,774.79	24,774.79	24,774.79	4,11,036.16
Monday, 30 November, 2026				2,55,996.03	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	3,99,900.68
Friday, 26 February, 2027					2,73,193.42	23,193.42	23,193.42	23,193.42	23,193.42	23,193.42	3,89,160.55
Monday, 31 May, 2027					2,68,581.10	24,774.79	24,774.79	24,774.79	24,774.79	24,774.79	3,92,455.07
Tuesday, 31 August, 2027					2,62,123.84	24,247.67	24,247.67	24,247.67	24,247.67	24,247.67	3,83,362.19
Tuesday, 30 November, 2027					2,55,996.03	23,984.11	23,984.11	23,984.11	23,984.11	23,984.11	3,75,916.58
Tuesday, 29 February, 2028						2,73,918.58	23,918.58	23,918.58	23,918.58	23,918.58	3,69,592.90
Wednesday, 31 May, 2028						2,68,136.07	24,181.42	24,181.42	24,181.42	24,181.42	3,64,861.75
Thursday, 31 August, 2028						2,62,090.71	24,181.42	24,181.42	24,181.42	24,181.42	3,58,816.39
Thursday, 30 November, 2028						2,55,979.64	23,918.58	23,918.58	23,918.58	23,918.58	3,51,653.96
Wednesday, 28 February, 2029							2,73,720.55	23,720.55	23,720.55	23,720.55	3,44,882.19
Thursday, 31 May, 2029							2,68,185.75	24,247.67	24,247.67	24,247.67	3,40,928.77
Friday, 31 August, 2029							2,62,123.84	24,247.67	24,247.67	24,247.67	3,34,866.85
Friday, 30 November, 2029							2,55,996.03	23,984.11	23,984.11	23,984.11	3,27,948.36
Thursday, 28 February, 2030								2,73,720.55	23,720.55	23,720.55	3,21,161.64
Friday, 31 May, 2030								2,68,185.75	24,247.67	24,247.67	3,16,681.10
Friday, 30 August, 2030								2,61,992.05	23,984.11	23,984.11	3,09,960.27
Friday, 29 November, 2030								2,55,996.03	23,984.11	23,984.11	3,03,964.25
Friday, 28 February, 2031									2,73,984.11	23,984.11	2,97,968.22
Friday, 30 May, 2031									2,67,988.08	23,984.11	2,91,972.19
Friday, 29 August, 2031									2,61,992.05	23,984.11	2,85,976.16
Friday, 28 November, 2031									2,55,996.03	23,984.11	2,79,980.14
Friday, 27 February, 2032										2,73,918.58	2,73,918.58
Monday, 31 May, 2032										2,68,530.33	2,68,530.33
Tuesday, 31 August, 2032										2,62,090.71	2,62,090.71
Monday, 29 November, 2032										2,55,913.93	2,55,913.93
Total	10,54,491.37	11,50,658.78	12,46,562.64	13,42,894.42	14,39,160.31	15,35,590.93	16,31,692.09	17,27,760.31	18,23,762.64	19,20,192.35	1,48,72,765.84

PRINCIPAL REDEMPTION SCHEDULE

(Amounts in Rs.)

Assumption	INR
Aggregate Amount	17,00,00,00,000
STRPP Amount	1,70,00,00,000

Dates	A	B	C	D	E	F	G	H	I	J	Total
Issue Price per bond	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	17,00,00,00,000
Tuesday, 28 February, 2023	42,50,00,000										42,50,00,000
Wednesday, 31 May, 2023	42,50,00,000										42,50,00,000
Thursday, 31 August, 2023	42,50,00,000										42,50,00,000
Thursday, 30 November, 2023	42,50,00,000										42,50,00,000
Thursday, 29 February, 2024		42,50,00,000									42,50,00,000
Friday, 31 May, 2024		42,50,00,000									42,50,00,000
Friday, 30 August, 2024		42,50,00,000									42,50,00,000
Friday, 29 November, 2024		42,50,00,000									42,50,00,000
Friday, 28 February, 2025			42,50,00,000								42,50,00,000
Friday, 30 May, 2025			42,50,00,000								42,50,00,000
Friday, 29 August, 2025			42,50,00,000								42,50,00,000
Friday, 28 November, 2025			42,50,00,000								42,50,00,000
Friday, 27 February, 2026				42,50,00,000							42,50,00,000
Friday, 29 May, 2026				42,50,00,000							42,50,00,000
Monday, 31 August, 2026				42,50,00,000							42,50,00,000
Monday, 30 November, 2026				42,50,00,000							42,50,00,000
Friday, 26 February, 2027					42,50,00,000						42,50,00,000
Monday, 31 May, 2027					42,50,00,000						42,50,00,000
Tuesday, 31 August, 2027					42,50,00,000						42,50,00,000
Tuesday, 30 November, 2027					42,50,00,000						42,50,00,000
Tuesday, 29 February, 2028						42,50,00,000					42,50,00,000
Wednesday, 31 May, 2028						42,50,00,000					42,50,00,000
Thursday, 31 August, 2028						42,50,00,000					42,50,00,000
Thursday, 30 November, 2028						42,50,00,000					42,50,00,000
Wednesday, 28 February, 2029							42,50,00,000				42,50,00,000
Thursday, 31 May, 2029							42,50,00,000				42,50,00,000
Friday, 31 August, 2029							42,50,00,000				42,50,00,000
Friday, 30 November, 2029							42,50,00,000				42,50,00,000
Thursday, 28 February, 2030								42,50,00,000			42,50,00,000
Friday, 31 May, 2030								42,50,00,000			42,50,00,000
Friday, 30 August, 2030								42,50,00,000			42,50,00,000
Friday, 29 November, 2030								42,50,00,000			42,50,00,000
Friday, 28 February, 2031									42,50,00,000		42,50,00,000
Friday, 30 May, 2031									42,50,00,000		42,50,00,000
Friday, 29 August, 2031									42,50,00,000		42,50,00,000
Friday, 28 November, 2031									42,50,00,000		42,50,00,000
Friday, 27 February, 2032										42,50,00,000	42,50,00,000
Monday, 31 May, 2032										42,50,00,000	42,50,00,000
Tuesday, 31 August, 2032										42,50,00,000	42,50,00,000
Monday, 29 November, 2032										42,50,00,000	42,50,00,000
Total	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000	17,00,00,00,000

DISCLOSURES IN TERMS OF SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020

The Bonds shall be considered as secured only if the charged asset is registered with sub-registrar and registrar of companies or CERSAI or depository, etc., as applicable, or is independently verifiable by Bond Trustee.