

DATED: MARCH 13, 2025

DEED OF GUARANTEE CUM UNDERTAKING

BETWEEN

STATE OF ANDHRA PRADESH
as Guarantor

BEACON TRUSTEESHIP LIMITED
as Debenture Trustee

AND

THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION
LIMITED
as Issuer



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DEED OF GUARANTEE CUM UNDERTAKING

THIS DEED OF GUARANTEE CUM UNDERTAKING (this “**Deed**”) made at Vijayawada on this 13th day of **March**, 2025 by:

- 1. STATE OF ANDHRA PRADESH**, through his excellency, the Governor of State of Andhra Pradesh, acting in exercise of its executive power to the giving of guarantees in accordance with Article 293 of the Constitution of India and represented through Shri K Adinarayana, Special Secretary to the Government of Andhra Pradesh, Finance Department, hereinafter referred to as the “**Guarantor**” (which expression shall, unless excluded by or be repugnant to the subject or context, include his successors-in-office) of the **FIRST PART**;
- 2. BEACON TRUSTEESHIP LIMITED**, a company established under the Companies Act, 2013 with CIN L74999MH2015PLC271288 and having its registered office at 5W, 5th Floor, The Metropolitan, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra – 400051, hereinafter referred to as the “**Debenture Trustee**” (which expression shall, unless repugnant to the context, be deemed to include its successors and permitted assigns wherever the context or meaning shall so require or permit) of the **SECOND PART**; and
- 3. THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**, a company wholly owned by the Government of Andhra Pradesh and a company within the meaning of the Companies Act, 2013, hereinafter referred to as the “**Issuer**”, (which expression shall, unless repugnant to the context, be deemed to include its successors and permitted assigns wherever the context or meaning shall so require or permit) of the **THIRD PART**.

(Each of the above Persons are hereinafter individually referred to as a “**Party**” and collectively referred to as “**Parties**”).

WHEREAS

- A.** The Issuer proposes to issue senior, secured, rated, listed, redeemable, taxable non-convertible bonds each bearing a face value of INR 1,00,000 (Indian Rupees One Lakh only) up to INR 9,000,00,00,000 (Indian Rupees Nine Thousand Crores only) (“**Bonds**”), on a private placement basis, in one or more tranches, under sub-series ‘A’ through ‘I’, to the Bond Holders (*as defined hereinafter*), redeemable in quarterly instalments.
- B.** In relation to the issuance of the Bonds, in terms of a debenture trustee agreement dated on or about the date of this Deed (“**Debenture Trustee Agreement**”), the Issuer has appointed the Debenture Trustee to act as the debenture trustee in relation to the Bonds for the benefit of the Bond Holders.
- C.** The Bonds shall be issued in accordance with the terms and conditions as set out in the debenture trust deed executed /to be executed by and between the Issuer and the Debenture Trustee (“**Debenture Trust Deed**”) on or about the same date as this Deed.
- D.** One of the terms of the issuance of Bonds is that the Guarantor shall provide a

State of Andhra Pradesh (Guarantor) 	For Beacon Trusteeship Limited Beacon Trusteeship Limited (Debenture Trustee)  Authorized Signatory	The Andhra Pradesh Mineral Development Corporation Limited (Issuer) 
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Finance Department
A.P. Secretariat, Velagapudi,
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Executive Director
A.P.M.D.C. LTD.,
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guarantee in favour of the Debenture Trustee guaranteeing the due discharge of the Secured Obligations of the Issuer in relation to the Bonds, in accordance with the terms of invocation set out in this Deed, and pursuant to the Government Order dated March 12, 2025 bearing reference number G.O.Ms. No. 33.

NOW IN CONSIDERATION OF THE PREMISES THE GUARANTOR AGREES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Deed, the capitalized terms listed below shall have the following meanings:

“**Account Bank**” means any scheduled commercial bank acceptable to Debenture Trustee, which term shall include any successor Account Bank appointed in terms of the Accounts Agreement.

“**Accounts**” means collectively, the Bond Servicing Account, the Debt Service Reserve Account, the Demat Account, the Contingency Reserve Account, and the Revenue Collection Account.

“**Accounts Agreement**” means the accounts agreement dated on or about the date of this Deed, entered into, *inter alios*, between the Debenture Trustee, the Issuer, and the Account Bank, in relation to the opening, maintenance and operation of the Accounts, and includes any amendments, supplements, modifications thereto from time to time.

“**Applicable Law**” means any statute, law, regulation, notification, ordinance, rule, judgement, rule of law, order, decree, government resolution, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, having jurisdiction over the matter in question, whether in effect as of the date of this Deed or thereafter and in each case as amended or modified.

“**Asset Coverage Ratio**” means the ratio of (a) is to (b) below:

- (a) the estimated realizable value of the assets of the Issuer over which Security Interest has been created in terms of the relevant Security Document(s) and the value of all other Security that may be provided by the Issuer to the Debenture Trustee in respect of the Bonds from time to time; and
- (b) the aggregate of the total outstanding Principal Amount of the Bonds and the accrued Coupon as on the date of computation.

“**Bond Holders**” means the persons who are, for the time being and from time to time, the owners of the Bonds in dematerialized form, and whose names appear in the register of debenture holders or the list of beneficial owners, or register of beneficial owners prepared, held and given by the Depository from time to time, as the case may be, and “**Bond Holder**” means each such Person and includes their

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respective successors, transferees and assigns.

“Bond Servicing Account” means the no set-off escrow account, opened by the Issuer with the Account Bank, wherein the Issuer shall deposit funds for meeting its repayment obligations in respect of the outstanding Bonds in accordance with the Transaction Documents. For the avoidance of doubt, it is clarified that the amounts lying in the Bond Servicing Account, till such time the same are not being utilised towards the servicing of the Secured Obligations, may be utilized for making Permitted Investments, in accordance with the terms more specifically set out in the Transaction Documents, whereby such Permitted Investments shall be charged in favour of the Debenture Trustee in accordance with the terms of the Transaction Documents.

“Business Day” means a day (other than a Saturday, Sunday or a day on which commercial banks are closed for business in Mumbai/ Vijayawada) on which money market is functioning in Mumbai and **“Business Days”** shall be construed accordingly.

“Control” shall have the meaning ascribed to the term under the Companies Act, 2013.

“Contingency Reserve Account” means the no set-off account, opened by the Issuer with the Account Bank, in which the Contingency Reserve Fund is to be maintained in accordance with the Transaction Documents. For the avoidance of doubt, it is clarified that the amounts lying in the Contingency Reserve Account, till such time the same are not required for the servicing of the Secured Obligations, or permitted to be utilised by the Issuer in accordance with the Transaction Documents, may be utilized for making Permitted Investments, in accordance with the terms more specifically set out in the Transaction Documents, whereby such Permitted Investments shall be charged in favour of the Debenture Trustee in accordance with the terms of the Transaction Documents.

“Contingency Reserve Fund” means the amounts required to be maintained by the Issuer in the Contingency Reserve Account from the surplus funds (if any) in the Revenue Collection Account, in accordance with the Transaction Documents, for the purposes of strengthening the Issuer’s debt servicing capacity in the years where DSCR may fall below the stipulated level.

“Coupon” means the amount of interest payable on the Principal Amount at the rate of interest more particularly specified in in the Debenture Trust Deed.

“Cure Period” shall have the meaning ascribed to it under Clause 7.1 (Events of Default).

“Debt Service Coverage Ratio” or **“DSCR”** means the ratio of (a) to (b) below, tested on an annual basis at the end of each financial year:

- (a) surplus in the Revenue Collection Account (before interest, depreciation, but after taxes); to
- (b) the total servicing obligation (principal plus interest) for a relevant financial

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year.

“**Debt Service Reserve Account**” or “**DSRA**” means the no set-off escrow account, opened by the Issuer with the Account Bank in order to maintain the Debt Service Reserve Amount until the Final Settlement Date. For the avoidance of doubt, it is clarified that the amounts lying in the Debt Service Reserve Account, till such time the same are not being utilised towards the servicing of the Secured Obligations, may be utilized for making Permitted Investments, in accordance with the terms more specifically set out in the Transaction Documents, whereby such Permitted Investments shall be charged in favour of the Debenture Trustee in accordance with the terms of the Transaction Documents.

“**Debt Service Reserve Amount**” means an amount equivalent to the peak Due Amounts payable by the Issuer in respect of the outstanding Bonds for 2 (two) consecutive Quarters, i.e., the 5th (fifth) and 6th (sixth) Quarters from the allotment date of the Bonds, to be maintained by the Issuer in the form of cash or cash equivalents (including Permitted Investments) in the Debt Service Reserve Account, on a rolling basis until the Final Settlement Date. Further, as the servicing liability would progressively come down after the peak, the Issuer would be permitted to take out the excess amount of Debt Service Reserve Amount progressively under intimation to the Debenture Trustee, provided however that no breach of any covenant by the Issuer should be outstanding at the relevant time of taking out of the Debt Service Reserve Amount.

“**Deed of Hypothecation**” means the deed of hypothecation to be executed between the Issuer and the Debenture Trustee for the purposes of creating hypothecation and charge over *inter alia* all of the Issuer’s rights, title, interest, and benefits arising out of the Accounts, along with the funds lying to the credit thereof and which are required to be credited thereto, in the manner more particularly specified therein.

“**Demand Notice**” means a notice issued by the Debenture Trustee to the Guarantor in writing, substantially in the form set out in **Schedule 2** (*Form of Demand Notice*) hereto.

“**Demat Account**” means the dematerialised account(s) of the Issuer wherein all the dematerialized securities, in which the Permitted Investments made from time to time, are to be held, and which account shall be operated by the Debenture Trustee in accordance with the terms of the Transaction Documents.

“**Depository**” means National Securities Depository Limited or Central Depository Services (India) Limited.

“**Direct Debit Mandate**” shall mean the mandate letter provided / to be provided by the Guarantor in favour of the RBI, substantially in the form enclosed as **Schedule 4** (*Form of the irrevocable letter of authority to the Reserve Bank of India*) hereto.

“**DSRA Shortfall / Event of Default Notice**” means a notice issued by the Debenture Trustee to the Issuer and the Guarantor, in writing, substantially in the form set out in **Schedule 3** (*Form of DSRA Shortfall / Event of Default Notice*)

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<p>Special Secretary to Government Finance Department A.P. Secretariat, Velagapudi, AMARAVATI - 522 238.</p>	<p>4</p>	<p>Executive Director A.P.M.D.C. LTD., VIJAYAWADA</p>

hereto.

“Due Date” means any date on which any and all payments to be made by the Issuer in relation to the Bonds including the Principal Amount, Coupon, default interest, remuneration of the Debenture Trustee, liquidated damages, if any, and all fees, costs, charges, expenses and other monies payable in terms of the Transaction Documents.

“Encumbrance” shall include any mortgage, charge, hypothecation, pledge, lien, assignment, escrow arrangement, trust arrangement, title retention or other arrangement of any kind having the effect of conferring security or interest or right of any nature whatsoever or any pre-emptive right, option, covenant, security, quasi security, non-disposal arrangement, negative lien, power of sale in favour of a third party, retention of title, restriction, privilege, claim, right or Security Interest, right of first refusal, lock-in of any nature or other third party right, whether presently or in the future, whether imposed by contract, understanding or Applicable Law (including any restriction imposed under Applicable Law or contract on the transferability of Bonds).




“Events of Default” means any event or circumstance as described in Clause 7.1 (*Events of Default*) of this Deed.

“Final Funding Date” means the day falling 9 (nine) days prior to the Due Date (T-9 days).

“Final Settlement Date” means the date when all the Secured Obligations of the Issuer payable to the Secured Parties have been irrevocably and unconditionally paid and discharged in full.

“Financial Indebtedness” means in relation to any Person, any indebtedness of such Person for or in respect of:

- (a) any long-term debt outstanding, whether secured or unsecured, of the said Person;
- (b) contingent liability pertaining to corporate/ financial guarantees given by the said Person, on behalf of any company / special purpose vehicle / subsidiary / affiliate / any other Person to the extent of outstanding of such guaranteed debt;
- (c) any short term debt outstanding of the said Person, including working capital or any other borrowing, whether secured or unsecured, whether availed of in lieu of long term debt or by way of bridge financing for long term debt or any other purpose; provided however that non fund based working facilities used in regular business operations of the said Person, shall be excluded;
- (d) any amount raised by acceptance under any acceptance credit facility;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis);

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- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (i) the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance; or
- (j) any obligation under any put option arrangement or guarantee or indemnity in respect of any put option where that put option or guarantee is granted or entered into primarily as a method of raising or assuring the payment or repayment of any indebtedness; and
- (k) the amount of any liability in respect of any guarantee or indemnity (without double counting) for any of the items referred to in paragraphs (a) to (j) above.



“**Governmental Authority**” shall include President of India, the Government of India, Governor or the government of any state in India or any ministry, department, board, authority, instrumentality, agency, corporation or commission semi-governmental or judicial or quasi-judicial or administrative entity, any self-regulatory organization, under the direct or indirect control of the government of India.

“**Issuer’s Revenue**” means all and any of the monies, cash flows and receivables and proceeds accruing to, arising out of, or payable to, the Issuer, arising out of any business or activity whatsoever.

“**Majority Bond Holders**” shall at any time mean the Bond Holders holding the Bonds, representing not less than 51% (fifty-one percent) in value of the Principal Amount of Bonds for the time being outstanding.

“**Notice to RBI**” means a notice issued by the Debenture Trustee to the RBI, in writing, substantially in the form set out in **Schedule 5** (*Form of Notice to the Reserve Bank of India*) hereto.

“**Offer Documents**” means collectively: (a) the general information document dated on or about the date of the Debenture Trust Deed and the key information document dated on or about the date of the Debenture Trust Deed, or any such similar document called by whatever name, containing the disclosures required in accordance with Regulation 45 read with Schedule I of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (as amended from time to time); and (b) the private placement offer letter dated on or about the date of the Debenture

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<p>Special Secretary to Government Finance Department A.P. Secretariat, Velagapudi, AMARAVATI - 522 238.</p> <p style="text-align: center;">6</p> <p style="text-align: right;">A.P.M.D.C. LTD., VIJAYAWADA</p>		

Trust Deed in the form specified pursuant to sub-rule (1) and (3) of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, which sets out the key terms and conditions upon which the Bonds will be issued and allotted by the Issuer to the Bond Holders.

“Permitted Investments” means the following investments permitted from the amounts lying to the credit of (a) the Bond Servicing Account, (b) the Debt Service Reserve Account, and (c) Contingency Reserve Account, till such time as such amounts are not being utilised for servicing of Secured Obligations, and which shall be charged in favour of the Debenture Trustee in accordance with the terms of the Transaction Documents, in:

- (i) fixed deposits denominated in Indian Rupees, maintained with scheduled commercial banks rated at least ‘AA’ or equivalent market rating by any credit rating agency registered with the Securities Exchange Board of India, without any restriction on premature encashment whenever called upon; and/or
- (ii) units of liquid mutual funds or overnight mutual funds and corporate bonds of public sector undertakings having the highest possible investment grade rating.

“Person” means a person, and includes any individual, company, corporation, firm, consortium, partnership, joint venture, association, firm, limited liability partnership, organisation, trust, unincorporated body, state or Governmental Authority or other legal entity (in each case, whether or not having separate legal personality).

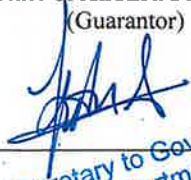


“Principal Amount” means, as the case may be,

- (i) an amount not exceeding INR 2000,00,00,000 (Indian Rupees Two Thousand Crores only), and
- (ii) in the event of exercise of the green-shoe option to retain oversubscription of upto INR 7000,00,00,000 (Indian Rupees Seven Thousand Crores only), an amount not exceeding INR 9,000,00,00,000 (Indian Rupees Nine Thousand Crores only).

“Quarter” means each period of approximately 3 (three) months ending in each calendar year, on the day of the respective Due Date. Each subsequent period thereafter shall start from the immediate next day of the last day of the preceding Quarter.

“Rating Agency(ies)” shall mean India Ratings and Research Private Limited and Acuité Ratings & Research Limited, or any other credit rating agency(ies) duly registered with the SEBI and approved under the SEBI (Credit Rating Agencies) Regulations, 1999 that may be acceptable to the Debenture Trustee, and “Rating Agency” shall mean any one of them.

“RBI” shall mean the Reserve Bank of India.

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“Revenue Collection Account” means the no set-off bank account, opened by the Issuer with the Account Bank, wherein the Issuer’s Revenue shall be transferred and collected (either directly or through irrevocable standing instructions to any other collection account(s) of the Issuer (as the case may be)), on a day-to-day basis, for utilisation in accordance with the terms of the Transaction Documents.

“Secured Obligations” means the aggregate of the outstanding Principal Amount, Coupon, default interest, penal interest, remuneration of the Debenture Trustee, liquidated damages, if any, and all fees, costs, charges, expenses and other monies payable in terms of the Transaction Documents.

“Secured Party” or **“Secured Parties”** means collectively, the Debenture Trustee and the Bond Holders.

“Secured Properties” means any asset / property in respect of which Security Interest is created in favour of the Debenture Trustee for securing the repayment of the Secured Obligations.

“Security Document(s)” means the Deed of Hypothecation, and such other document(s) as may be required to be executed for creating or effecting, perfecting and maintaining the Security Interest over the Secured Properties stipulated in the Transaction Documents in favour or for the benefit of the Debenture Trustee for securing the repayment of the Secured Obligations.

“Security” means the Security Interest created/ to be created by the Issuer in favour of the Debenture Trustee for the benefit of the Bond Holders in terms of the Transaction Documents.

“Security Interest” means any Encumbrance including any mortgage, pledge, lien, charge, assignment, hypothecation or other security interest securing any obligation of any person or any other agreement or arrangement having the effect of conferring a security interest.

“State Legislature” means collectively, the Andhra Pradesh state legislative assembly and the Andhra Pradesh state legislative council.

“Tax” means all forms of present and future taxation (including but not limited to indirect taxes such as goods and service tax, value added tax or other similar taxes), deductions, withholdings, duties, imposts, stamp duties, levies, fees, charges and rates imposed, levied, collected, withheld or assessed by any Governmental Authority in India and any interest, additional taxation penalty, surcharge or fine in connection therewith and **“Taxes”** shall be construed accordingly.




“Transaction Documents” means the documents executed in relation to the issue of the Bonds including but not limited to the Offer Documents, the letters issued by the Rating Agency(ies), the Debenture Trust Deed, the Debenture Trustee Agreement, this Deed, the Accounts Agreement, the Security Document(s), and such other documents as mutually agreed between the Debenture Trustee and the Issuer.

1.2. Interpretation

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited (Debenture Trustee)</p> <p>For Beacon Trusteeship Limited</p>  <p>Authorised Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p> 
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In this Deed, unless the context otherwise requires:

- (a) headings and underlining are for convenience only and do not affect the interpretation of this Deed;
- (b) words importing the singular include the plural, and *vice versa*;
- (c) the word “**will**” shall be construed to have the same meaning and effect as the word “**shall**”;
- (d) the terms “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and words of a similar purport refer to this Deed as a whole and not to any particular provision hereof;
- (e) a reference to an Article, Clause, party, Exhibit, Annexure or Schedule is a reference to that Article or Clause of, or party or Exhibit, Annexure or Schedule to, this Deed unless otherwise stated;
- (f) a reference to a document includes an amendment or supplement to or replacement or renovation of that document;
- (g) a reference to a party to any document also includes that party’s successors and its assigns, permitted assigns, or permitted transferees, as the case may be and in the case of the Debenture Trustee, any person for the time being appointed as Debenture Trustee in accordance with the terms of this Deed;
- (h) terms defined in this Deed by reference to any other agreement, document or instrument shall have the meanings respectively assigned to them in such agreement, document or instrument, whether or not such agreement, document or instrument is then in effect;
- (i) unless otherwise provided in this Deed, any consent, approval, instruction, determination, waiver, satisfaction, or finding required to be provided by the Debenture Trustee under this Deed shall mean the prior written consent, approval, instruction, determination, waiver or finding provided by the Debenture Trustee as per the Debenture Trust Deed;
- (j) unless otherwise agreed in writing between the Parties, the terms set out in the Debenture Trust Deed shall prevail in case of any discrepancy or conflict between the terms set out in this Deed and the Debenture Trust Deed;
- (k) in the event of any disagreement or dispute, between the Issuer, Guarantor and/or the Bond Holders, or between the Issuer, Guarantor and/or Debenture Trustee, regarding the materiality or reasonableness of any matter including of any event, occurrence, circumstance, change, fact, information, document, authorization, proceeding act, omission, claims, breach, or default, the opinion of the Majority Bond Holders as to the materiality or reasonableness of any of the foregoing shall be final and binding on the Issuer, the Guarantor, the Bond Holders and the Debenture Trustee;
- (l) save where the contrary is indicated, any reference in this Deed to a time of day shall be construed as a reference to Indian Standard Time;

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- (m) "in writing" includes any communication made by letter or facsimile or by electronic mail; and
- (n) a default (other than an Event of Default) is continuing if it has not been remedied or waived and an Event of Default is continuing if it has not been waived, unless cured or rectified within the cure period, if any.

2. EFFECTIVENESS OF THE AGREEMENT

- 2.1. In consideration of the Bond Holders having subscribed to, and/or agreeing to subscribe to, the Bonds issued and/or to be issued by the Issuer, the Guarantor hereby absolutely and unconditionally and as a continuing obligation, irrevocably guarantees as principal debtor and not merely as surety and undertakes to pay forthwith on demand to the Debenture Trustee, due payment and due discharge of the Secured Obligations of the Issuer, any shortfall of funds available in the Bond Servicing Account and any shortfall in the DSRA towards maintaining the Debt Service Reserve Amount, in accordance with the terms of invocation as set out in this Deed.
- 2.2. Notwithstanding anything contained in this Deed, the maximum liability of the Guarantor under this Deed shall be to the extent of the Secured Obligations of the Issuer in relation to the Bonds ("Guaranteed Amount").
- 2.3. The Debenture Trustee shall invoke the guarantee in terms of this Deed by issuing a Demand Notice to the Guarantor, upon: (i) occurrence of an Event of Default (and in the event that the Event of Default is not remedied by the Issuer/Guarantor within the Cure Period provided in respect thereof, if any); and/ or (ii) failure of the Guarantor to fund any shortfall in the DSRA towards maintaining the Debt Service Reserve Amount.
- 2.4. Upon receipt of a Demand Notice, indicating the amounts due or payable by the Issuer, the Guarantor shall promptly, without any demur, reservations, recourse, contest or protest and without any reference to the Issuer, pay such amounts (not exceeding in aggregate the Guaranteed Amount) in accordance with this Deed.
- 2.5. The Guarantor hereby confirms that the Direct Debit Mandate has been / will be issued by it to the RBI, which has been / will be duly acknowledged by the RBI (a copy of the same is / shall be attached as Annexure I hereto). The said Annexure I is an integral part of this Deed.
- 2.6. Pursuant to the above and in the event the Guarantor has not paid the amount demanded under the DSRA Shortfall / Event of Default Notice (within the stipulated timeline as mentioned in the said notice), the Guarantor hereby irrevocably and unconditionally authorises the Debenture Trustee to advise the RBI to debit forthwith, on first priority basis, such amount as mentioned in the Demand Notice from the account(s) of the Guarantor maintained with RBI, subject to clear and sufficient balance in the account at the time of executing the request of Debenture Trustee or immediately on availability of funds / limits in the said account(s), on first priority basis before any other utilisation, and credit the same forthwith to the Debt Service Reserve Account or the Bond Servicing Account, as the case may be,

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<p>Special Secretary to Government Finance Department A.P. Secretariat, Velagapudi, AMARAVATI - 522 238.</p>	<p>10</p>	<p>A.P.M.D.C. LTD., VIJAYAWADA</p>

of the Issuer (as may be specified in the said request / Direct Debit Mandate), pursuant to the provisions of this Guarantee Deed and subject to the conditions stipulated in the irrevocable letter of authority furnished by the Guarantor in favour of the RBI. In this regard, the Guarantor shall provide all confirmation and assistance to the RBI forthwith as may be required. All amounts that are due and payable under the Transaction Documents and not paid by the Guarantor under the Guarantee Deed shall be intimated as such by the Debenture Trustee to the RBI for debit from the account of the Guarantor from time to time. The said debit arrangement with the RBI shall not affect the obligation of the Guarantor till the entire dues payable under this Guarantee Deed are not paid in full.

- 2.7. The Guarantor hereby irrevocably and unconditionally authorises the Debenture Trustee to instruct the RBI by issuing a Notice to RBI to act promptly on the instructions of the Debenture Trustee as per Clause 2.6 hereof and debit the account of the Guarantor maintained with the RBI by credit to the account of the Issuer or to such account as the Debenture Trustee may specify, and correspondingly directs the RBI to act as per the provisions of the Direct Debit Mandate.
- 2.8. The Guarantor agrees that the Debenture Trustee may make more than one demand under this Deed (and consequently, issue the Notice to RBI more than once), to the extent of the outstanding Secured Obligations or the shortfall in the Debt Service Reserve Account as the case may be, at the time of each such demand (or issue of each such Notice to RBI), and all such demands (or the amounts specified in each such Notice to RBI) shall be cumulative.

3. OBLIGATIONS OF THE GUARANTOR

3.1. Invocation of Guarantee upon occurrence of an Event of Default

- 3.1.1. Upon occurrence of an Event of Default (and in the event that the Event of Default is not remedied by the Issuer/Guarantor within the Cure Period provided in respect thereof, if any), the Debenture Trustee shall issue a DSRA Shortfall / Event of Default Notice, calling upon the parties to remedy the Event of Default within 30 (thirty) calendar days from the date of issuance of the DSRA Shortfall / Event of Default Notice. In the event that the Event of Default is not cured before the closure of the 30th (thirtieth) calendar day from the date of issuance of the DSRA Shortfall / Event of Default Notice, the Debenture Trustee shall invoke the guarantee provided by the Guarantor under this Deed in respect of the entire Secured Obligations payable by the Issuer, by issuing a Demand Notice to the Guarantor on the next Business Day and simultaneously advise the RBI to debit forthwith, on first priority basis, such amount as mentioned in the Demand Notice from the account(s) of the Guarantor maintained with RBI, in accordance with clause 2.5 above.
- 3.1.2. The Guarantor shall be required to promptly pay the outstanding Secured Obligations specified in the Demand Notice in the designated account mentioned in the Demand Notice.
- 3.1.3. The Guarantor shall pay the outstanding Secured Obligations into the Bond Servicing Account, directly from its own account(s) and in no event shall such payments be made by the Guarantor into any other account(s) of the Issuer.

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3.2. Payment of shortfall in Debt Service Reserve Account and Invocation of Guarantee

- 3.2.1. The Guarantor shall ensure that the Issuer shall keep the DSRA funded with an amount equivalent to the Debt Service Reserve Amount at all times until the Final Settlement Date.
- 3.2.2. Upon payment of Secured Obligations on a given Due Date ("T"), if it is found that the amounts lying in the DSRA are less than the Debt Service Reserve Amount, the Debenture Trustee shall, on the next Business Day following such Due Date ("T_i"), issue a DSRA Shortfall / Event of Default Notice, calling upon the parties to remedy the shortfall within 30 (thirty) calendar days from the date of issuance of the DSRA Shortfall / Event of Default Notice ("T_i+30").
- 3.2.3. In the event that the DSRA is not funded up to the required amount before the closure of banking hours on the 30th (thirtieth) calendar day from the date of issuance of the DSRA Shortfall / Event of Default Notice as mentioned in sub-clause 3.2.2, the Debenture Trustee shall invoke the guarantee provided by the Guarantor, to the extent of the shortfall in the Debt Service Reserve Amount, by issuing a Demand Notice to the Guarantor on the next Business Day ("T_i+31") and simultaneously advise the RBI to debit forthwith, on first priority basis, such amounts as may be mentioned in the Demand Notice from the account(s) of the Guarantor maintained with the RBI, in accordance with Clause 2 above.
- 3.2.4. The Guarantor shall be required to pay the shortfall amount specified in the DSRA Shortfall / Event of Default Notice, forthwith, from its own account(s) directly into the Debt Service Reserve Account, and in no event shall such payments be made by the Guarantor into any other account(s) of the Issuer.

3.3. Guarantor guarantees due payment of all charges and costs

The Guarantor hereby irrevocably and unconditionally guarantees to the Debenture Trustee, (acting on behalf of and for the benefit of the Bond Holders) that it shall duly pay and reimburse on demand any/all charges, costs, expenses, including legal costs and all such duties, taxes, insurance premia and other expenses that/which the Secured Parties have incurred or may incur as a consequence of subscribing to the Bonds and also as a consequence of an Event of Default.

3.4. Payment obligation of the Guarantor

The Guarantor hereby irrevocably agrees that in respect of its obligation under this Deed, the Guarantor shall be primarily liable, and the Guarantor's primary liability shall not be affected by any arrangement between the Issuer and the Debenture Trustee.

Prior to invocation of the guarantee in terms of this Deed, the obligations with respect to the Bonds 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 this Deed. Upon invocation of the guarantee, the liability on account of the outstanding Bonds, including any payments with respect to shortfall in DSRA, shall become the direct and primary liability of the Guarantor

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(Government of Andhra Pradesh) and shall be treated at par with all other liabilities of the Guarantor.

For the avoidance of doubt, it is clarified that the obligation of the Guarantor to make any payments as a principal debtor under this Deed shall occur only upon any payment obligation(s) crystallizing/ arising under this Deed, or upon breach of representations, warranties, covenants, and/ or undertakings of the Guarantor under this Deed.

Provided that, if the Guarantor's payment obligation has arisen as a result of:

- (i) a shortfall in the DSRA, then, the Guarantor's obligation to pay as principal debtor shall cease in respect of that particular instance of shortfall, if the DSRA is replenished; or
- (ii) a breach of any representation, warranty, covenant and/ or undertaking by the Guarantor, then, the Guarantor's obligation to pay as principal debtor in respect of that particular breach which has occurred, shall cease if the breach is remedied by the Guarantor or the Issuer, as the case may be, within the Cure Period provided in respect thereof, if any.

Nothing contained hereinbefore shall be deemed to extinguish the Guarantor's obligation to make payment as a principal debtor, on the occurrence of each shortfall in the DSRA, or each breach of any representation, warranty, covenant and/ or undertaking by the Guarantor, as the case may be.

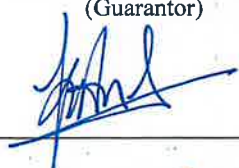


3.5. Guarantee to be continuing guarantee

3.5.1. The Guarantor hereby irrevocably agrees that the guarantee given under this Deed shall be a continuing guarantee and shall not be determined except with the consent of the Debenture Trustee and only upon payment of the entire Secured Obligations and the Debenture Trustee giving written discharge to this effect. The guarantee provided under this Deed shall not be wholly or partially satisfied or exhausted by any payments made or settled with the Secured Parties and shall be valid and binding against the Guarantor until payment/ due discharge of the Secured Obligations to the satisfaction of the Debenture Trustee.

3.5.2. The Guarantor shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered to the Debenture Trustee, such supplements hereto and such further instruments as may be requested and as may be reasonably required to effectuate the intention of or facilitate the performance of this Deed and the Guarantor irrevocably makes, designates, constitutes and appoints the Debenture Trustee as its attorney-in-fact, with power in the name of the Guarantor to take such actions and exercise such related rights as it deems necessary or advisable upon failure of the Guarantor to comply with the Debenture Trustee under this Clause.

3.6. Guarantee not to be revoked or determined without prior notice

This Deed shall not be revoked or determined unless the Debenture Trustee provides consent to do so and such revocation or determination shall take effect

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only after the Guarantor procuring a written consent from the Debenture Trustee.

3.7. Guarantee shall not be determined on the insolvency or liquidation of the Issuer

This Deed shall not be determined on the insolvency or liquidation of the Issuer until the Debenture Trustee (acting on behalf of and for the benefit of the Bond Holders) gives written discharge.

3.8. Guarantor's waiver of rights under the law of contracts

3.8.1. The Guarantor waives in favour of the Debenture Trustee, all or any of the rights of the Guarantor against the Debenture Trustee or the Issuer so far as may be necessary to give effect to any of the provisions of this Deed and the Guarantor hereby agrees that it shall not be entitled to claim the benefit of any legal consequence of any variations of any contract entered into by the Issuer with the Debenture Trustee, the liability in respect of which is guaranteed by the Guarantor.

3.8.2. The Guarantor agrees that it shall not be discharged from its liability hereunder by any act of the Debenture Trustee which would, but for provisions of this Deed, be inconsistent with the Guarantor's right as surety or by any omission of the Debenture Trustee to do any act which, but for provisions of this Deed, the Guarantor would have required the Debenture Trustee to do. Though as between the Issuer and the Debenture Trustee, the Guarantor is the guarantor only, the Guarantor agrees and confirms that as between the Guarantor and the Debenture Trustee, the Guarantor will be the principal debtor jointly with the Issuer and accordingly it shall not be entitled to any of the rights conferred on sureties by Sections 133, 134, 135, 136, 139 and 141 of the Indian Contract Act, 1872 as amended or modified from time to time.

3.9. Guarantor's benefit to the Securities given by Issuer waived

The Guarantor hereby agrees that the Guarantor's liability under this Deed shall not in any way be reduced or discharged, by reason of the Debenture Trustee losing or parting with any of the Security given by the Issuer to the Debenture Trustee.

3.10. Guarantor's liability not dependent on the contract between the Debenture Trustee and the Issuer

3.10.1. The Guarantor hereby agrees that the Issuer and the Debenture Trustee shall, without the concurrence or consent of the Guarantor, be at liberty to vary, alter or modify the terms and conditions of any or all of the Transaction Documents, on such terms and conditions as may be considered necessary by the Debenture Trustee. The liability of the Guarantor under this Deed shall not be affected nor shall the obligation of the Guarantor under this Deed be discharged or diminished by reason of any renewal, variation, modification of the terms relating to the Bonds between the Debenture Trustee and the Issuer, and that no further consent of the Guarantor is required to give effect to any such variation, alteration, modification, waiver, dispensation with or release of security. The Debenture Trustee shall be required to provide an intimation to the Guarantor upon occurrence of such renewal, variation, alteration, modification, waiver, or dispensation, however, failure on the

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part of the Debenture Trustee to provide such intimation shall not prejudice the obligations of the Guarantor under this Deed.

3.10.2. The Guarantor hereby agrees that the liabilities incurred under this Deed shall be independent of any contract or agreement between the Issuer and the Debenture Trustee and discharge of the Issuer under any contract or agreement or Applicable Law or due to any act or omission of the Debenture Trustee and/or any actions or proceedings against the Issuer and/or any change in the constitution of the Issuer or the statute under which the Issuer is incorporated becomes invalid and/or illegality, invalidity, irregularity or unenforceability of all or any of the provisions of this Deed or the Guaranteed Amounts.

3.11. Guarantor not to compete with Bond Holders

In the event of insolvency, bankruptcy or winding up of the Issuer, the Guarantor shall not prove in competition with the Debenture Trustee, any rights or remedies accrued to them under this Deed or under any Security taken from the Issuer prejudicially affecting the interest of the Bond Holders, nor shall the Guarantor have the right of subrogation or indemnity against the Issuer (or any other rights available under the Applicable Law) till all the liabilities of the Issuer towards the Bond Holders are discharged and completely satisfied.

3.12. Monies realised from the Guarantor to be appropriated as provided below

The Guarantor agrees that monies received from the Guarantor shall be appropriated towards discharge of liabilities under this Deed as follows:

- (a) *first*, towards reimbursement, payment or discharge of all the costs, charges and expenses (including legal costs) incurred by the Debenture Trustee in or about the entry, appointment of receiver, calling in, collection, or the exercise of the powers and trusts under these presents, including their and the receiver's remuneration;
- (b) *second*, in or towards payment to the Bond Holders, *pari passu*, of all Coupon, default interest and other charges (except the Principal Amounts) being due and payable but remaining unpaid on the Bonds;
- (c) *third*, in or towards payment to the Bond Holders, *pari passu*, of the Principal Amount owing on the Bonds held by them whether the Principal Amount shall or shall not then be due and payable; and
- (d) *fourth*, in or towards payment of the surplus, if any, of the said monies for expenses, fees and amounts including expenses, fees and amounts to preserve the security interest incurred under, arising out of or in connection with the Transaction Documents to the Person(s) entitled thereto on *pro rata* basis in case of shortfall.

3.13. Debenture Trustee's claim to be conclusive and binding

The claim of the Debenture Trustee in relation to the Guaranteed Amounts shall be conclusive and binding on the Guarantor.

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3.14. Any security taken by Guarantor from the Issuer to be given to the Debenture Trustee

Any security taken, or that may be taken by the Guarantor, from the Issuer in respect of the Guarantor's liability under this Deed, shall not be prejudicial to the Debenture Trustee's rights and the Guarantor shall forthwith deposit such security with the Debenture Trustee.

3.15. This Deed shall extend to all negotiable instruments in circulation

This Deed shall be enforceable against the Guarantor notwithstanding any negotiable instrument or other securities provided in terms of this Deed, and such securities and/or negotiable instruments shall at the time of enforcement of the guarantee under this Deed be outstanding or in circulation.

3.16. Waiver of certain claims

3.16.1. The Guarantor hereby unconditionally and irrevocably agrees that the execution and delivery of this Deed and the Guarantor's performance of and compliance with the obligations expressed to be assumed by it hereunder are in furtherance of and for the purpose of supporting the Issuer in its obligations under the Transaction Documents and neither the Guarantor nor any of its properties or assets enjoy, or are entitled to claim, or shall at any time claim, immunity from any suits, execution, attachment or other legal process in respect of any of its obligations hereunder.

3.16.2. Where any discharge, release or arrangement is made by the Debenture Trustee in whole or in part in respect of any payment, security or other disposition which is subsequently avoided or must be restored as a result of any applicable insolvency, liquidation, bankruptcy or equivalent proceedings or otherwise, the liability of the Guarantor under this Deed shall continue or shall be reinstated (as the case may be) as if such discharge or arrangement had not occurred.

3.17. Permitted Investments from the Accounts

The Guarantor acknowledges and confirms that:

- (a) no investments shall be made from any monies lying in the Bond Servicing Account, Contingency Reserve Account, and / or Debt Service Reserve Account, other than investments in the Permitted Investments, which shall be made only at the request of the Issuer with the approval of the Debenture Trustee in writing, in strict compliance with the provisions of the respective Transaction Documents;
- (b) in the event that any Permitted Investment has ceased to be a Permitted Investment, the Debenture Trustee shall immediately, but no later than 2 (two) Business Days from the date of occurrence thereof, procure that such investment is liquidated and proceeds of the same is immediately credited to the Bond Servicing Account, Contingency Reserve Account, and / or Debt Service Reserve Account, as the case may be. The Debenture Trustee shall be entitled to require the liquidation (or substitution by a Permitted Investment) of any investment which ceases to be a Permitted Investment;

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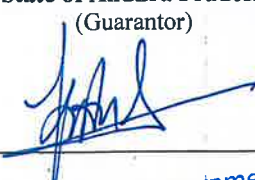


- (c) on receipt of a notice of an Event of Default from the Debenture Trustee, the Account Bank (or any other Person with whom the Permitted Investments may have been made) shall, on instruction of the Debenture Trustee, realise the Permitted Investments, whether such investments have matured or not, and apply the proceeds as directed by the Debenture Trustee;
- (d) the Debenture Trustee shall be entitled to require the liquidation of part or whole of any Permitted Investment at any time for the purpose of making payment to the Secured Parties including any Secured Obligations. The Account Bank (or any other Person with whom the Permitted Investments may have been made) shall, on the instructions of the Debenture Trustee liquidate part or whole of the Permitted Investments as may be instructed by the Debenture Trustee in writing, within such time period as may be intimated by the Debenture Trustee;
- (e) in the event that the Bond Servicing Account is not adequately funded with the relevant Due Amount on the day falling prior to the Final Funding Date (**T-10 days**), the Permitted Investments made from the Debt Service Reserve Account shall be liquidated to the extent of such shortfall in the Bond Servicing Account;
- (f) other than fixed deposits, all Permitted Investments (including securities held in the Demat Account) made from the Bond Servicing Account shall mandatorily and automatically, without any further action, be liquidated by the Debenture Trustee on the day falling 3 (three) days prior to the relevant Due Date (**T-3 days**), if not liquidated earlier;
- (g) permitted Investments in fixed deposits with banks made from the Bond Servicing Account during any Quarter should have a maturity date of at least 1 (one) day prior to the Due Date (**T-1 days**) in respect of that Quarter. All Permitted Investments, which are in the nature of fixed deposits, shall stand liquidated automatically on the Due Date.

For avoidance of doubt, any reference in this Deed to the balance standing to the credit of the Bond Servicing Account, Contingency Reserve Account, and / or Debt Service Reserve Account shall be deemed to include a reference to the principal amount of the Permitted Investments in which all or part of such balance is invested.

4. REPRESENTATIONS AND UNDERTAKINGS OF THE PARTIES

4.1. Guarantor representations

- (a) The Guarantor hereby represents and warrants to the Debenture Trustee that the following representations and warranties are true and correct on each date until the Final Settlement Date:
 - (i) the terms of this Deed are in accordance with, and do not breach any Applicable Law, including the rules made by the Governor of the State of Andhra Pradesh and / or any agreement or memorandum of agreement or understanding or any similar instrument entered into by the Guarantor or the Issuer;

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- (ii) the Guarantor has the full power and authority to execute, deliver and enter into this Deed and fulfil the obligations hereunder, and that all necessary clearances as may be required in connection with the execution, delivery, performance, validity and enforceability of this Deed have been duly obtained, and are in full force and effect;
 - (iii) this Deed is within the applicable regulatory / statutory monetary limit(s) that are applicable to the State Legislature, and is also in compliance with the provisions of Article 293 of the Constitution of India.
- (b) the Guarantor, as on the date of execution of this Guarantee Deed, is in compliance with the provisions of the Fiscal Responsibility Budget Management Act, 2003 (as applicable in the State of Andhra Pradesh) ("FRBM Act"), as may be amended from time to time.

4.2. Issuer representations

The Issuer hereby represents and warrants to the Debenture Trustee that the following representations and warranties are true and correct on each date until the Final Settlement Date:

- (a) it is a company duly incorporated, organized and validly existing under Applicable Law;
- (b) it has the necessary power, capacity and authority to execute, deliver and perform the terms and conditions of the Transaction Documents;
- (c) the Transaction Documents have been duly and validly executed and delivered by it and constitute a legal, valid and binding obligation, enforceable against it in accordance with the terms hereof;
- (d) the execution, delivery, and performance of the Transaction Documents does not:
 - (i) constitute a breach of Applicable Law, or any of its constitutional documents or any documents, contracts, agreements or any other instruments to which it is a party; and
 - (ii) does not require any approval from any Governmental Authority or any approvals from third parties, except to the extent already obtained by it.

4.3. Information undertakings of the Debenture Trustee

The Debenture Trustee undertakes that:

- (a) upon appointment of the Account Bank in accordance with the terms of the Accounts Agreement, the Debenture Trustee shall notify the Guarantor in writing, the name and branch address of the Account Bank;
- (b) [upon opening of the Revenue Collection Account with the Account Bank in accordance with the terms of the Accounts Agreement, the Debenture

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Trustee shall notify the Guarantor in writing, the account number and IFSC code of such account;]

- (c) upon opening of the Bond Servicing Account with the Account Bank in accordance with the terms of the Accounts Agreement, the Debenture Trustee shall notify the Guarantor in writing, the account number and IFSC code of such account;
- (d) upon opening of the Debt Service Reserve Account with the Account Bank in accordance with the terms of the Accounts Agreement, the Debenture Trustee shall notify the Guarantor in writing, the account number and IFSC code of such account;
- (e) upon opening of the Contingency Reserve Account with the Account Bank in accordance with the terms of the Accounts Agreement, the Debenture Trustee shall notify the Guarantor in writing, the account number and IFSC code of such account;
- (f) upon opening of the Demat Account, the Debenture Trustee shall notify the Guarantor in writing, the details of such account;

whereby all the aforementioned information will be provided by the Debenture Trustee to the Guarantor in accordance with the terms of Clause 10 (*Notices*) of this Deed.

5. ADDITIONAL COVENANTS

5.1. Guarantor to be the indemnifier

The Guarantor hereby covenants and undertakes the following:

- (a) to indemnify and keep the Secured Parties fully indemnified and saved, defended and harmless in respect of and against each and every payment made and obligation, liability, loss or damage undertaken or incurred or suffered by the Debenture Trustee (acting on behalf of and for the benefit of the Bond Holders), whether directly or indirectly, under or in connection with the Bonds;
- (b) notwithstanding the possibility, existence, pendency or continuance of any dispute or difference or any arbitration proceedings or any suit or other legal proceedings whatsoever against the Issuer/Guarantor which may directly or indirectly arise out of or under or in connection with the subject matter(s) of the Bonds or which may affect the legality or validity of all or any of the transaction(s) directly or indirectly connected with or relating to or arising out of the subject matter(s) of the Bonds, the reasonableness or propriety or validity of any such payment(s) made by the Debenture Trustee to the insurers or the government authority or such persons to protect its interest in the security and in recovery of all the monies owed and payable in respect of Bonds shall not be questioned by the Guarantor on any ground whatsoever and such payment shall be conclusive and binding on the Guarantor so far as it concerns the Guarantor's liability to the Secured Parties hereunder;

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- (c) to pay to the Debenture Trustee on demand, all costs, charges, and expenses including legal costs (being between advocate and client) paid or incurred by the Debenture Trustee (acting on behalf of and for the benefit of the Bond Holders) in any wise concerning the Bonds and the Debenture Trustee and/or such Bond Holders' obligations and liability thereunder and under this Deed and the Debenture Trustee's rights in respect thereof.

5.2. Any irregularity in the borrowing powers of the Issuer, not to affect the Guarantor's liability

The absence or informality of the borrowing powers on the part of Issuer or any irregularity in the exercise thereof, shall not affect the liability of the Guarantor and the Secured Obligations shall be deemed to be due and payable notwithstanding such absence or informality or irregularity, and shall not affect the liabilities of the Guarantor under this Deed.

5.3. Liability not affected

The liability of the Guarantor under this Deed shall not be revoked or affected by:

- (a) any change in the name or constitution, management, ownership, or corporate existence of the Issuer;
- (b) any insolvency, liquidation, bankruptcy, winding-up (voluntary or otherwise), dissolution or similar situation or proceeding in respect of the Issuer including approval of any resolution plan being agreed to in respect of the Issuer, save and except a discharge in accordance with Clause 3.7 hereinabove;
- (c) reconstruction and reorganization of the Issuer or any absorption, merger or amalgamation of the Issuer with any other company or concern;
- (d) the acquisition of the Issuer and/or of any of its undertaking(s) pursuant to any Applicable Law;
- (e) any change in the name or constitution of the Secured Parties;
- (f) any incapacity or lack of power, authority or legal personality of any person;
- (g) any amendment or assignment or novation or charge or succession or variation (however fundamental) to the terms of the Transaction Documents; and / or
- (h) any other act, thing or omission on the part of the Secured Parties or by any other matter or thing whatsoever which under the law relating to sureties would have the effect of so releasing, impairing, discharging the Guarantor of its liability under this Deed.

5.4. Issuer to be agent of the Guarantor

The Guarantor agrees that any acknowledgement by the Issuer on Guarantor's behalf of any or all liabilities and rights of Secured Parties against the Guarantor under this Deed shall be deemed to be acknowledgement by the Guarantor, and the

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Issuer for said purpose shall be deemed to be agent of the Guarantor.

6. SPECIAL COVENANTS AND UNDERTAKINGS

6.1. The Guarantor hereby unconditionally and irrevocably undertakes from the date of this Deed and until the Final Settlement Date that:

- (a) the Guarantor presently holds 100% (one hundred per cent.) shareholding in the Issuer. The Guarantor is permitted to dilute its shareholding in the Issuer provided it continues to hold at least 74% (seventy four per cent) of the shareholding in the Issuer at all times till the Final Settlement Date and continues to have Control over the Issuer. Provided further that notwithstanding such dilution in shareholding in the Issuer by the Guarantor, the terms and conditions of this Deed shall continue to remain in full force and affect and be binding upon the Guarantor;
- (b) the Guarantor 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;
- (c) the Guarantor shall not do, or cause to be done, any act, or change or issue any instruction / circular / policy that would adversely affect the rights of the Issuer to carry on its businesses as they are carried out on the date of this Deed; and
- (d) the Guarantor irrevocably and unconditionally undertakes to comply and continue to comply with the provisions of the FRBM Act in relation to the assumption of its guarantee and other obligations hereunder, until the Final Settlement Date.
- (e) the Guarantor irrevocably and unconditionally undertakes that, in the event of invocation of security interests by the Debenture Trustee on account of any default in its obligations by the Issuer, it shall provide all assistance in the smooth enforceability of such security interests and shall facilitate transfer of security interest in favour of Debenture Trustee or any other person specified by the Debenture Trustee.

6.2. The Guarantor undertakes that the obligations under this Deed shall be recognized through requisite acknowledgement of the same in the statements placed before the State Legislature for the budget of the Guarantor, every year, until the Final Settlement Date, and that the Guarantor shall take such steps as may be required, from time to time, to give effect to its obligations under this Deed.

6.3. As a separate and independent obligation, the Guarantor undertakes that, in any relevant Quarter, if there is any shortfall of funds available in the Bond Servicing Account identified on the day falling 29 (twenty-nine) days prior to the Due Date in that Quarter (T-29 days), the Guarantor shall take necessary steps to fund / bridge such shortfall in the Bond Servicing Account on or prior to the Final Funding Date, in order to prevent any impairment of the DSRA.

6.4 The Guarantor shall ensure that at all times until the Final Settlement Date, all

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited (Debenture Trustee)</p> <p>For Beacon Trusteeship Limited</p>  <p>Authorised Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p> 
<p>Special Secretary to Government Finance Department A.P. Secretariat, Velagapudi, AMARAVATI - 522 238.</p>	<p>21</p>	<p>Executive Director A.P.M.D.C. LTD., VIJAYAWADA</p>

monies constituting the Issuer's Revenue shall be transferred by the Issuer solely to the Revenue Collection Account (either directly or through irrevocable standing instructions to any other collection account(s) of the Issuer (as the case may be)), on a day-to-day basis.

6.5 The Guarantor undertakes that the Government Order bearing reference number G.O.Ms. No. 33 dated March 12, 2025 inter alia specifying the decision of the Guarantor to provide guarantee in terms of this Deed, shall continue to be effective until the Final Settlement Date, and shall not be amended, replaced, withdrawn or otherwise rescinded in any manner without the prior written consent of the Debenture Trustee (acting on the instructions of the Bond Holders).

6.6 Notwithstanding anything contained in this Deed or any other Transaction Document, a breach of any of the terms set out in this Clause 6 (*Special Covenants and Undertakings*) by the Guarantor shall be considered an Event of Default.

7. EVENTS OF DEFAULT AND REMEDIES

7.1. Events of Default

If any one or more of the events specified in this Clause 7.1 (each, an "Event of Default") shall have occurred or is continuing (and in the event that the Event of Default is not remedied by the Issuer/Guarantor within the Cure Period provided in respect thereof, if any), then the Debenture Trustee shall have the right to enforce its rights under this Deed in terms of Clause 7.2:

It is clarified that unless otherwise specified, the events listed below shall not have any cure period, and, in particular, no cure period shall be available in respect of: (i) any default in redemption of Bonds, (ii) any default in payment of Coupon / Principal Amount, and (iii) any failure to replenish any shortfall in the Debt Service Reserve Amount in the DSRA within 30 (thirty) days from the date of issuance of a DSRA Shortfall / Event of Default Notice.

(a) **Default in redemption of Bonds**

Default shall have occurred in the redemption of the Bonds as and when the same shall have become due and payable.

(b) **Default in payment of Coupon/Principal Amount**

Default by the Issuer in the payment of Secured Obligations as and when the same shall have become due and payable on the Due Date.

(c) **Failure to replenish any shortfall in the Debt Service Reserve Amount in the DSRA**

The Guarantor fails to pay the shortfall in DSRA towards maintenance of Debt Service Reserve Amount pursuant to receipt of Demand Notice in terms of Clause 3.2 (*Payment of shortfall in DSRA*);

(d) **Failure to perform obligations under Transaction Documents**

The Issuer or Guarantor fails to perform its material obligations with respect

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited (Debenture Trustee)</p>  <p>Authorized Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p>  <p>Executive Director</p>
<p>Special Secretary to Government Finance Department A.P. Secretariat, Velagapudi, AMARAVATI - 522 238.</p>	<p>22</p>	<p>A.P.M.D.C. LTD., VIJAYAWADA</p>

to any covenant, condition or agreement under the Debenture Trust Deed or any other Transaction Document and such failure is not capable of being cured within a period of 30 (thirty) days from such failure or there is an event or circumstance which will affect the ability of the Issuer to enter into and perform its obligations under the Transaction Documents or the legality, validity or the binding nature of the Transaction Documents.

(e) **Breach of terms of this Deed**

- (i) Any misrepresentation by the Guarantor or the Issuer under Clause 4 (*Representations*) and such misrepresentation is not cured (if curable) within 30 (thirty) calendar days; and
- (ii) The Guarantor fails to comply with / breaches the terms set out in Clauses 6 (*Special Covenants and Undertakings*) and such failure is not remedied within 30 (thirty) days.

(f) **Security**

- (i) Failure of the Issuer to create and/or perfect the Security Interest over the Secured Properties within the timelines specified under the relevant Transaction Documents, unless such timeline has been extended by mutual consent of the Issuer and the Debenture Trustee and such failure, if capable of being remedied, is not remedied within 30 (thirty) calendar days;
- (ii) Any of the Security Document(s) once executed and delivered shall fail to have or provide the priority or ranking contemplated over the relevant Secured Properties, or any such Security Document(s) cease to be in full force and effect and such default has not been cured within a period of 30 (thirty) calendar days from the date of occurrence thereof;
- (iii) Any event or circumstance takes place which, in the opinion of the Debenture Trustee, is materially prejudicial to, or imperils or otherwise depreciates the value of the Security Interest expressed to be provided under the relevant Security Document(s) in favour of the Debenture Trustee, which is not cured within 30 (thirty) calendar days from the date of occurrence thereof;
- (iv) The Asset Coverage Ratio falling below 1 (one), leading to the value of the Security Interest being depreciated, thereby entitling the Debenture Trustee to call for additional/alternate security, and failure of the Issuer to provide such additional/ alternate security within 30 (thirty) calendar days thereof.

(g) **Material adverse effect**

Breach of the terms of any of the Transaction Documents or occurrence of any other event, which is likely to result, or which may have any material adverse effect, and such breach or event, if capable of being remedied, is not

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited (Debenture Trustee)</p> <p>For Beacon Trusteeship Limited</p>  <p>Authorised Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p>  <p>Executive Director</p>
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remedied within 30 (thirty) calendar days.

(h) **Failure to maintain insurance**

- (i) Failure by the Issuer to obtain or maintain (as the case may be) any insurance in respect of the Secured Properties as may be required by the insurance advisor appointed by the Secured Parties; and/or to renew such insurance; or paying the premium necessary towards maintaining such insurance when due, and such default, if capable of remedy, is not cured within a period of 90 (ninety) calendar days.
- (ii) Any insurance policy contracted or taken by the Issuer in relation to the Secured Properties is not, or ceases to be, in full force and effect at any time when it is required to be in effect and such default, if capable of remedy, is not cured within 90 (ninety) calendar days from the date of its occurrence.

(i) **Supply of misleading information**

Any information provided by the Issuer/Guarantor under the Transaction Documents and/or any other information furnished and/or any other document delivered by or on behalf of the Issuer/Guarantor and/or any representation, warranty or statement given or deemed to have been given by the Issuer/Guarantor to the Debenture Trustee/ Bond Holders in connection with the Bonds is or proves to be misleading or incorrect in any material respect, or is found to be incorrect, and such default is not remedied within 30 (thirty) calendar days.

(j) **Categorisation as a Wilful Defaulter**

- (i) In the event the Issuer or any of its directors (except any nominee directors nominated by any financial institution) are included in Reserve Bank of India's list of wilful defaulters and the same is not cured within 30 (thirty) calendar days from the occurrence of such event
- (ii) In the event an independent director is included in wilful defaulters list and such director is not replaced promptly, within a period of 30 (thirty) calendar days.

(k) **Issuer ceases to carry on business**

If the Issuer ceases or threatens to cease to carry on all or substantially all its business, and such default, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

(l) **Liabilities exceed the assets**

If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Issuer exceed its assets indicating the inability of the Issuer to discharge the Secured Obligations, and such default, if capable of being remedied, is not remedied within 30

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited (Debenture Trustee)</p>  <p>Authorised Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p>  <p>Executive Director A.P.M.D.C. LTD., VIJAYAWADA</p>
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(thirty) calendar days.

(m) **Expropriation**

If any Governmental Authority condemns, nationalizes, compulsorily acquires or seizes or otherwise expropriates all or any material part (in the opinion of the Debenture Trustee) of the assets of the Issuer or any Governmental Authority (other than the Guarantor) assumes custody or Control of shares or business or operations of the Issuer or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on its business or operations or a substantial part thereof, and such default, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

(n) **Alteration in provisions of memorandum and/or articles of association**

If the Issuer, without the previous consent in writing of the Debenture Trustee, makes or takes steps to make any alteration in the provisions of its memorandum of association or articles of association which might in the opinion of the Debenture Trustee detrimentally affect the interests of the Bond Holders and shall upon demand by the Debenture Trustee refuse, neglect or be unable to rescind such alteration within 30 (thirty) calendar days of such alteration.

(o) **Change in ownership**

If the Issuer, without the previous consent in writing of the Debenture Trustee, takes any action(s) for its reorganization, including but not limited to any change in its ownership, which might in the opinion of the Debenture Trustee detrimentally affect the interests of the Bond Holders, and such change in reorganization, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

(p) **Authorisations**

Any of the necessary authorisations or clearances required or desirable in relation to the Issuer, Guarantor or the Bonds in accordance with any of the Transaction Documents is not received or is revoked, terminated, withdrawn, suspended, modified, withheld or ceases to be in full force and effect, and such default, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

(q) **Insolvency**

(i) the Issuer has voluntarily (or involuntarily) become the subject of proceedings under any Applicable Law relating to insolvency, or the Issuer is voluntarily or involuntarily dissolved or any application being initiated against the Issuer under the Insolvency and Bankruptcy Code, 2016 (or any other analogous law for the time being in force) and the same is not stayed or dismissed within 7 (seven) calendar days from the date of such initiation;

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited (Debenture Trustee)</p> <p>For Beacon Trusteeship Limited</p>  <p>Authorised Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p>  <p>Executive Director</p>
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(ii) if a petition for winding up of the Issuer has been filed and not stayed or dismissed within 7 (seven) calendar days from the date of filing by a court of competent jurisdiction or if an order of a court of competent jurisdiction is made for the winding up of the Issuer and the Issuer has taken any action or any actions having been taken or legal proceedings being started, in relation to all or part of the undertaking of the Issuer, for its dissolution, administration, bankruptcy, insolvency, any reorganization or attachment of its assets, which has the effect of dissolution or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues and assets.

(r) **Unlawfulness and Illegality**

If:

(i) It is or becomes unlawful for the Issuer to perform or comply with any of its obligations under any Transaction Document in the opinion of the Debenture Trustee; or

(ii) Any Transaction Document is not or ceases to be in full force and effect or becomes illegal or unenforceable.

and such default, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

(s) **Credit Rating**

(i) The credit rating of the Bonds is withdrawn or suspended and the same is not remedied within 90 (ninety) calendar days from the date of such occurrence; or

(ii) The Issuer fails to renew the credit rating obtained by it in accordance with the provisions of the Transaction Documents.

(t) **Repudiation**

Repudiation of any of the Transaction Documents to which the Issuer or Guarantor is a party or intention of the Issuer or Guarantor to repudiate any Transaction Document to which it is a party, and such default, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

7.2. Remedies

7.2.1. The Security Interest created/ to be created under the Transaction Document in favour of the Debenture Trustee shall become enforceable by the Debenture Trustee upon the occurrence of an Event of Default.

7.2.2. In the event that the DSRA is not replenished up to the required amount before the closure of banking hours on the 30th (thirtieth) calendar day from the date of issuance of the DSRA Shortfall / Event of Default Notice as mentioned in sub-

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited (Debenture Trustee) For Beacon Trusteeship Limited</p>  <p>Authorized Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p>  <p>Executive Director A.P.M.D.C. LTD., VIJAYAWADA</p>
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clause 3.2.2, the Debenture Trustee shall invoke the guarantee provided by the Guarantor, to the extent of the shortfall in the Debt Service Reserve Amount, by issuing a Demand Notice to the Guarantor on the next Business Day ('T_i+31') and simultaneously advise the RBI to debit forthwith, on first priority basis, such amounts as may be mentioned in the Demand Notice from the account(s) of the Guarantor maintained with the RBI, in accordance with Clause 2 above.

7.2.3. If an Event of Default has occurred, the Debenture Trustee may, without prejudice to any other rights it may have under Applicable Law:

- (a) accelerate the maturity of the Bonds and declare all of the amounts outstanding on the Bonds (including but not limited to any Coupon accrued thereon) and other Secured Obligations as on that date, to be immediately due and payable;
- (b) enforce the Security Interest(s) created in its favour in terms of the relevant Transaction Documents;
- (c) initiate the default escrow mechanism in respect of all moneys and balances credited / being credited to the Revenue Collection Account for transfer to the Bond Servicing Account in the manner specified in the Accounts Agreement, in order to make payment of the Secured Obligations;
- (d) give final notice to the Guarantor clearly stating its intention to invoke the Guarantee and enforce its rights under this Deed if the entire accelerated dues as mentioned in (a) above are not paid within a period of 30 (thirty) days from the date of such notice. Upon continuation of such event beyond this 30 (thirty) day period, the Debenture Trustee shall invoke the guarantee under this Deed in terms of Clause 3.1 (*Invocation of guarantee upon occurrence of an Event of Default*), by issuing a Demand Notice to the Guarantor on the next Business Day ('T_i+31') and simultaneously advise the RBI to debit forthwith, on first priority basis, such amounts as may be mentioned in the Demand Notice from the account(s) of the Guarantor maintained with the RBI, in accordance with Clause 2 above and notify the Rating Agencies who have rated the Bonds of (i) the invocation of the Guarantee (through the Demand Notice), and (ii) the issuance of the Notice to RBI;
- (e) initiate legal proceedings against the Issuer/Guarantor to realise the entire Secured Obligations payable in respect of the Bonds, enforce Security Interest, if any, in accordance with Applicable Law;
- (f) exercise all powers under Applicable Law and/or the Transaction Documents;
- (g) appoint independent agents to examine operations of the Issuer and the value of the security;

Provided, the proceeds from enforcement of Security will be appropriated by the Debenture Trustee towards the payment of Secured Obligations to the Secured Parties, in terms of the Transaction Documents.

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited For Beacon Trusteeship Limited</p>  <p>Authorised Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p>  <p>Executive Director A.P.M.D.C. LTD., VIJAYAWADA</p>
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7.2.3. The Debenture Trustee shall have the authority to act upon and enforce the provisions of this Deed in accordance with these presents or to adopt appropriate remedies in that behalf as it deems fit and may in that behalf adopt remedies in relation thereto, and shall exercise all powers under this Deed in accordance with Applicable Law.

8. MISCELLANEOUS

8.1. It shall be lawful for the Secured Parties to proceed against the Guarantor upon any default in payment of the Secured Obligations on the respective Due Date and it shall not be necessary for the Debenture Trustee to wait till all the amounts hereby guaranteed become due and to initiate only one suit in respect thereof. Without prejudice to the generality of the above, it is hereby clarified that it shall be lawful for the Debenture Trustee to initiate as many suits and at such time(s) as the Debenture Trustee deems fit in respect of the amount(s) hereby guaranteed which remained unpaid.

8.2. The Guarantor hereby agrees that, until the Final Settlement Date, the Guarantor shall not be entitled, by reason of performance of its obligations hereunder:

- (a) to be indemnified by the Issuer; and/or
- (b) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Bond Holders or of any other Security taken pursuant to, or in connection with, the Transaction Documents.

8.3. The Guarantor agrees and confirms to make payments under this Deed free from any withholding or deduction.

8.4. The successor government to the Guarantor shall in all cases be deemed to be the Guarantor.

8.5. The Guarantor confirms that it shall be liable to make payments under this Deed on the instructions of the Debenture Trustee (acting on behalf of and for benefit of the Bond Holders).

8.6. Any term of this Deed may be amended with the written agreement of the Guarantor and the Debenture Trustee (acting on behalf of and for benefit of the Bond Holders).

9. WAIVERS

9.1. No delay in exercising or omission to exercise any right power or remedy accruing to the Debenture Trustee under this Deed upon any default under this Deed, the other Transaction Documents or any other agreement or document shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Debenture Trustee in respect of any default impair any right, power or remedy of the Debenture Trustee in respect of any other default.

9.2. All waivers under this Deed shall be in writing and no action or omission of the Debenture Trustee shall be construed as a waiver of its rights under this Deed and other Transaction Documents. The rights and remedies provided under this Deed

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited (Trustee)</p> <p>For Beacon Trusteeship Limited</p>  <p>Authorised Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p> <p>Executive Director</p> <p>A.P.M.D.C. LTD., VIJAYAWADA</p>
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are cumulative and not exclusive of any rights and remedies provided by law.

10. NOTICES

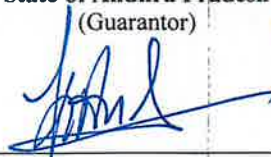


- 10.1. A notice in writing shall be deemed to have been duly given to the Guarantor or the legal representatives of the Guarantor, by sending the same by hand delivery, post, courier, or electronic mail or other mode of communication addressed to addressee at the address or addressees written in **Schedule 1 (Particulars of the Parties)** and such notice shall be deemed to be received by Guarantor or legal representatives of the Guarantor as the case may be, (a) if sent by courier, 2 (two) Business Days after it is posted with the courier and (b) if sent by registered post, 5 (five) Business Days after it is delivered to the postal authorities (c) if sent by personal delivery, when delivered at the notified address within the business hours along with proof of acknowledgement, and (d) if sent in electronic form (e-mail), when sent, and shall be sufficient if signed / sent by any officer of the Debenture Trustee (acting on behalf of and for the benefit of the Bond Holders).
- 10.2. Any notice issued by the Debenture Trustee in terms of this Deed, signed by a duly authorised official of the Debenture Trustee, shall be conclusive evidence, against the Guarantor, of the amount, for the time being, being due and/or payable to the Debenture Trustee by the Issuer in any action or proceeding brought against the Guarantor in terms of this Deed.
- 10.3. All documents to be furnished or communications to be given or made under this Deed shall be in the English language or, if in another language, shall be accompanied by a translation into English certified by a representative of the Debenture Trustee (the cost of which will be borne by the Issuer), which translation shall be the governing version between the Parties.

11. BENEFIT OF THIS GUARANTEE

The Guarantor hereby agrees that this Deed shall ensure to the benefit of the Debenture Trustees' and Bond Holders' successors-in-interest and assigns.

12. GOVERNING LAW AND JURISDICTION

- (b) The governing law for the purpose of this Deed shall be Indian Law.
- (c) Each of the parties hereto agrees that the courts and tribunals at Vijayawada / Amaravati and Mumbai shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed.

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited (Debenture Trustee)</p> <p>For Beacon Trusteeship Limited</p>  <p>Authorised Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p>  <p>Executive Director A.P.M.D.C. LTD., VIJAYAWADA</p>
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SCHEDULE - 1

PARTICULARS OF THE PARTIES

Part – A - Particulars of the Issuer

a.	Name	:	The Andhra Pradesh Mineral Development Corporation Limited
b.	Address of Registered Office	:	D.No.6-1-67/19/1 & 67/20, Flat No.302, Super Classic Apartments, Saifabad, Lakdikapool, Hyderabad, Telangana, India – 500004
c.	Telephone Number	:	+91 866 2429999
d.	Email	:	info-ho@apmdc.in
e.	Attention	:	Sri Pravin Kumar, IAS

Part – B - Particulars of the Guarantor

a.	Name	:	The State of Andhra Pradesh, through his excellency the Governor of State of Andhra Pradesh represented through, Shri K Adinarayana, Special Secretary to the Government of Andhra Pradesh, Finance Department.
b.	Address for notice	:	State of Andhra Pradesh, represented by Special Secretary, Finance Department, 2 nd Block, First Floor, A. P. Secretariat office, Velagapudi, Amaravati - 522238
d.	Telephone Number	:	+91 9010203540
e.	Email	:	adinarayanakas@gmail.com

Part – C - Particulars of the Debenture Trustee

a.	Name	:	Beacon Trusteeship Limited
b.	Address for notice	:	5W, 5th Floor, The Metropolitan, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
d.	Telephone Number	:	022 – 4606 0278
e.	Email	:	compliance@beacontrustee.co.in
	Attention	:	Mr. Kaustubh Kulkarni

<p>State of Andhra Pradesh (Guarantor)</p>  <p>Special Secretary to Government Finance Department A.P. Secretariat, Velagapudi, AMARAVATI - 522 238.</p>	<p>Beacon Trusteeship Limited For Beacon Trusteeship Limited</p>  <p>Authorised Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p>  <p>Executive Director A.P.M.D.C. LTD., VIJAYAWADA</p>
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SCHEDULE - 2

FORM OF DEMAND NOTICE

To: State of Andhra Pradesh,
[●]

From: [Authorised Officer],
[Name of the Trustee]
[Address]

Dated: [●]

Dear Sir/Madam,

Re: Deed of Guarantee cum Undertaking dated [●] executed by you in favour of [●] (the "Deed") in respect of the Bonds aggregating up to INR [●] (Indian Rupees [●] only) issued by The Andhra Pradesh Mineral Development Corporation Limited (the "Issuer") under the debenture trust deed dated [●] ("the Debenture Trust Deed").

This is a Demand Notice pursuant to Clause [●] of the Deed.

We are hereby invoking the guarantee for an amount of INR [●] which is payable by the Guarantor in terms of the Deed, and advising the RBI to debit forthwith, on first priority basis, the aforesaid amounts from the account of the Guarantor maintained with the RBI, in accordance with Clause 2 of the Deed.

All amounts should be paid to the [●] Account, details of which are set out below:

[Insert details of the account]

Yours faithfully,

[Authorised Officer],
[Name of the Debenture Trustee]

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited (Debenture Trustee)</p>  <p>For Beacon Trusteeship Limited Authorised Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p> 
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Executive Director
A.P.M.D.C. LTD.,
VIJAYAWADA

SCHEDULE – 3

FORM OF DSRA SHORTFALL / EVENT OF DEFAULT NOTICE

Dated: [●]

To: The Andhra Pradesh Mineral Development Corporation Limited

[Address]

Attention: [●]

State of Andhra Pradesh,

Represented by [●].

From: [Authorised Officer],

[Name of the Trustee]

[Address]

Re: Deed of Guarantee cum Undertaking dated [●] executed by you in favour of [●] in respect of the Bonds aggregating up to INR [●] (Indian Rupees [●] Crores only) issued by The Andhra Pradesh Mineral Development Corporation Limited (the “Issuer”) under the debenture trust deed dated [●] (“the Debenture Trust Deed”).

Dear Sir/Madam,

This is to inform you that an amount of INR [●] (Indian Rupees [●]) is required to be credited to the Debt Service Reserve Account [Insert details of the account] on or prior to [●], to meet the Secured Obligations falling due on [●] (Due Date).

We request you to kindly ensure that Debt Service Reserve Account is adequately funded with the aforementioned amount within [●] ([●]) calendar days from the date of issuance of this DSRA Shortfall Notice to meet the Secured Obligations falling due the on the forthcoming Due Date.

OR

This is to inform you that an Event of Default as per the terms of Clause 7 of the Deed has occurred. You are requested to ensure that the Event of Default is promptly cured, and if such Event of Default persists for a period of more than 30 (thirty) calendar days from the date of issue of this notice, we shall invoke the guarantee provided under the Deed and enforce our rights thereunder.

All amounts should be paid to the [●] Account, details of which are set out below:

[Insert details of the account]

Yours faithfully,

[Authorised Officer],

[Name of the Trustee]

<p>State of Andhra Pradesh (Guarantor)</p> 	<p>Beacon Trusteeship Limited (Debenture Trustee)</p> <p>For Beacon Trusteeship Limited</p>  <p>Authorised Signatory</p>	<p>The Andhra Pradesh Mineral Development Corporation Limited (Issuer)</p>  <p>Executive Director A.P.M.D.C. LTD., VIJAYAWADA</p>
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Special Secretary to Government
Finance Department
A.P. Secretariat, Velagapudi,
AMARAVATI - 522 238.

SCHEDULE - 4

FORM OF THE IRREVOCABLE LETTER OF AUTHORITY TO THE
RESERVE BANK OF INDIA

Date: [●]

To:

The Chief General Manager
Reserve Bank of India
Central Accounts Section (CAS),
Nagpur

Copy to:

[●] (Debenture Trustee)
[Address]

Subject: Irrevocable Letter of Authority furnished by the Government of Andhra Pradesh in favour of Reserve Bank of India, in connection with Bonds issued by The Andhra Pradesh Mineral Development Corporation Limited

Reference: Direct Debit Mandate issued by the State Government of Andhra Pradesh in favour of Reserve Bank of India for the recovery of principal amount/ debt service reserve amount/ coupon on the Bonds issued by The Andhra Pradesh Mineral Development Corporation Limited (the "Issuer")

Dear Sir/ Madam,

1. The Issuer, on the terms and conditions set forth in the debenture trust deed dated [●] (the "Debenture Trust Deed") executed between the Issuer and [●] (the "Debenture Trustee"), has issued / proposes to issue, in one or more tranches and/or one or more sub-series, senior, secured, rated, listed, redeemable, taxable non-convertible bonds ("Bonds") each bearing a face value of INR 1,00,000/- (Indian Rupees One Lakh only) of INR [●]/- (Indian Rupees [●] only), on private placement basis, to certain identified investors (the "Bond Holders") on the condition that the State Government of Andhra Pradesh (the "State Government") guarantees the entire obligations of the Issuer in respect of such Bonds.
2. In consideration thereof, and on the terms of the deed of guarantee executed by the State Government in favour of the Debenture Trustee ("Guarantee Deed"), the State Government is required to furnish an irrevocable mandate duly executed by the State Government and registered with the Reserve Bank of India (RBI), unconditionally authorizing the Debenture Trustee to write to the Central Accounts Section (CAS), RBI under information to the State Government, requesting RBI to debit forthwith

State of Andhra Pradesh (Guarantor) 	Beason Trusteeship Limited (Debenture Trustee) 	The Andhra Pradesh Mineral Development Corporation Limited (Issuer) 
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Special Secretary to Government
Finance Department
A.P. Secretariat, Velagapudi,
AMARAVATI - 522 238.

Executive Director
A.P.M.D.C. LTD.,
VIJAYAWADA

such amount as may be requested by the Debenture Trustee in regard to repayments of principal amount, payment of coupon and augmentation / replenishment of debt service reserve, from the account of the State Government maintained with RBI and credit the same to the account of the Issuer as specified below (in the event of default by the State Government in honouring its repayment obligations to the Bond Holders under the Debenture Trust Deed/ Guarantee Deed).

Bank Account Title	Bank Account number	Bank name	IFSC Code
[•]	[•]	[•]	[•]

3. Accordingly, the State Government, hereby, authorizes and requests RBI that, as and when a written requisition is received by RBI from the Debenture Trustee and notwithstanding any dispute that may exist on issues between the State Government and the Debenture Trustee, RBI may, without reference to the State Government, debit the State Government's current account / Principal Government Deposit Account (PGDA) / Inter Government Transitory Account (IGTA) maintained with RBI, with such sums as may be specified by the Debenture Trustee in its written request and, pay the same to the Issuer in such manner as they desire, under advice to the State Government.
4. The State Government agrees that the RBI will act on the direct debit mandate, subject to availability of clear and sufficient balance in the account of the State Government at the time of executing the mandate. Clear balance in the account of the State Government means the amount held in such account, excluding minimum balance, operating limit under special drawing facility, authorised limit under ways and means advances and overdraft. If at any time, the clear balance in the State Government account maintained with RBI is inadequate to meet the aforesaid debit, the accounts may be debited to the extent of availability of funds, and the remaining amount may be debited subsequently and to the extent funds become available in the account.
5. The State Government agrees that the fact that the Debenture Trustee has approached RBI in writing for debiting the current account of the State Government with RBI shall be conclusive proof that default has arisen in respect of payment of the sums by the State Government to the Debenture Trustee and it shall not be necessary for the State Government to admit to the fact of default by means of separate advice to RBI or the Debenture Trustee.
6. This mandate shall also be enforceable against any current account / Principal Government Deposit Account (PGDA) / Inter Government Transitory Account (IGTA), any other account which may be opened with RBI by the State Government's successors or assigns.
7. This mandate shall not be revoked by the State Government, except with the prior concurrence of the Debenture Trustee and the RBI may act upon this authority until such time this authority is revoked and a written communication thereof is received by the Chief General Manager/ General Manager, Reserve Bank of India.

State of Andhra Pradesh (Guarantor) 	For Beacon Trustee Limited For Beacon Trustee Limited (Debenture Trustee)  Authorized Signatory	The Andhra Pradesh Mineral Development Corporation Limited (Issuer) 
Special Secretary to Government Finance Department A.P. Secretariat, Velagapudi, AMARA/JATI - 522 238.	34	Executive Director A.P.M.D.C. LTD., VIJAYAWADA

8. It is clarified that this mandate does not countermand or affect in any way the existing authorities on mandates already given by the State Government to RBI in respect of any existing indebtedness extended by the Bond Holders in the past and they shall not be deemed to have been substituted by this mandate.
9. The scope of authority given in this mandate shall be valid and enforceable only for recovery of principal amount/ debt service reserve /coupon in relation to the Bonds issued by the Issuer and subscribed to by the Bond Holders.
10. Please acknowledge receipt of this letter and also return the duplicate copy thereof confirmed by you to the Head Office of the Debenture Trustee.

Thanking you,

For and on behalf of
the State of Andhra Pradesh

(Authorised Official)

Encl: Annexure – Interest and Principal Servicing Schedule of the Bonds

CONFIRMATION OF RBI ON THE DUPLICATE COPY OF THE MANDATE

The Reserve Bank of India (RBI), hereby, acknowledges the receipt of the mandate letter dated [●] issued by the State Government of Andhra Pradesh on recovery of principal amount/ coupon /debt service reserve in relation to the Bonds issued by the Issuer and subscribed to by the Bond Holders.

The RBI, hereby, confirms that it shall take action as required in terms of the said mandate.

For Reserve Bank of India

(Authorised Signatory)

Place: Nagpur

Date: [●]

ANNEXURE

INTEREST AND PRINCIPAL SERVICING SCHEDULE OF THE BONDS

Special Secretary to Government
Finance Department
A.P. Secretariat, Melagapudi,
AMARAVATI - 520 002

(Amount in Rupees)

[●]

State of Andhra Pradesh (Guarantor) 	For Beacon Trusteeship Limited (Debenture Trustee) 	Andhra Pradesh Mineral Development Corporation Limited (Issuer) 
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Special Secretary to Government
Finance Department
A.P. Secretariat, Melagapudi,

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Executive Director
A.P.M.D.C. LTD.,
VIJAYAWADA

SCHEDULE – 5

FORM OF NOTICE TO THE RESERVE BANK OF INDIA

Dated: [●]

To:
[Authorised Officer]
Reserve Bank of India]

[Authorised Officer]
[Special Secretary (Finance)]
Government of Andhra Pradesh

From: [Authorised Officer],
Debenture Trustee

Dear Sir/Madam,

Re: State Government of Andhra Pradesh unconditional and irrevocable direct debit mandate dated [●], 2025, for direct deduction from State Government account(s) maintained with RBI (“Direct Debit Mandate”)

An amount of INR [●] is payable by the State Government of Andhra Pradesh in relation to the Bonds guaranteed by it.

In terms of the Direct Debit Mandate, we hereby call upon you to debit the account of the Government of Andhra Pradesh maintained with the RBI and transfer the same to the [●] Account, details of which are set out below, on or before [●]:

[Insert details of the relevant account]

Yours faithfully,

[Authorised Officer],
Debenture Trustee

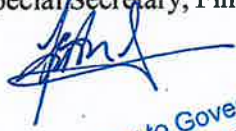
State of Andhra Pradesh (Guarantor) 	Beacon Trusteeship Limited (Debenture Trustee)  Authorised Sig	The Andhra Pradesh Mineral Development Corporation Limited (Issuer) 
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Special Secretary to Government
Finance Department
A.P. Secretariat, Vengal Rao Road,
AMARAVATI - 522 238.

Executive Director
A.P.M.D.C. LTD.,
VIJAYAWADA

IN WITNESS WHEREOF, the Guarantor, the Debenture Trustee, and the Issuer have executed this Deed on this 13th day of **March**, 2025 at Vijayawada:

SIGNED AND DELIVERED for and on behalf of **STATE OF ANDHRA PRADESH** through his excellency, the **GOVERNOR OF STATE OF ANDHRA PRADESH** represented through, Shri K. Adinarayana, Special Secretary, Finance Department



Special Secretary to Government
Finance Department
R. Secretariat, Velagapudi,
VIJAYAWADA - 522 238.

SIGNED AND DELIVERED by **THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED** in its capacity as the Issuer, by the hands of Shri R. Kedaranatha Reddy, Executive Director.



Executive Director
A.P.M.D.C. LTD.,
VIJAYAWADA



SIGNED AND DELIVERED by **BEACON TRUSTEESHIP LIMITED**, in its capacity as **Debenture Trustee** for the Bond Holders, by the hands of Shri Kande Christwant Paul Samuel, its Regional Head.

For Beacon Trusteeship Limited



Authorised Signatory

ANNEXURE I

Attached separately