RURAL ELECTRIFICATION CORPORATION LIMITED

(A Government of India Undertaking)

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 on July 25, 1969 at New Delhi as "Rural Electrification Corporation Private Limited". The word "private" was deleted from the name of our Company on June 03, 1970. Our Company became a deemed public limited company with effect from July 01, 1975. Our Company was converted into a public limited company with effect from July 18, 2003. The Corporate Identification Number of our Company is L40101DL1969GOI005095.For further details in relation to the corporate history of our Company, see the section titled "***History and Certain Corporate Matters***" on page 120 of the Shelf Prospectus.

Registered Office and Corporate Office: Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003, India
Telephone: +91 11 4102 0101; **Facsimile:** +91 112436 0644; **E-mail**: rectfbond@recl.nic.in; **Website**: www.recindia.nic.in
For further details in relation to the changes in our registered office, see the section titled "***History and Certain Corporate Matters***" on page 120 of the Shelf Prospectus.
Compliance Officer: Mr.Vijay Kumar, Additional General Manager (Finance) Telephone: +91 11 4309 1620 **Facsimile**: +91 11 2436 8553; **E-mail**: rectfbond@recl.nic.in

PROMOTER OF OUR COMPANY: THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF POWER, GOVERNMENT OF INDIA

PUBLIC ISSUE BY RURAL ELECTRIFICATION CORPORATION LIMITED ("REC" OR "ISSUER" OR THE "COMPANY") OF TAX FREE SECURED REDEEMABLE NON CONVERTIBLE BONDS OF FACE VALUE OF ₹ 1000 EACH IN THE NATURE OF DEBENTURES HAVING TAX BENEFITS UNDER SECTION 10 (15)(iv)(h) OF THE INCOME TAX ACT, 1961, AS AMENDED ("INCOME TAX ACT") AND SUCH BONDS ("BONDS"), FOR AN AMOUNT AGGREGATING UPTO THE SHELF LIMIT* (₹ 700 CRORE) BY WAY OF ISSUANCE OF BONDS IN ONE OR MORE TRANCHES IN THE FISCAL 2016 (EACH A "TRANCHE ISSUE", AND TOGETHER ALL TRANCHE ISSUES UPTO THE SHELF LIMIT, "ISSUE"). THIS TRANCHE ISSUE BY THE ISSUER IS OF BONDS FOR AN AMOUNT OF ₹ 300 CRORE ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO ₹ 400 CRORE AGGREGATING UPTO ₹ 700 CRORE ("TRANCHE I ISSUE"). THIS TRANCHE I ISSUE IS BEING OFFERED BY WAY OF THIS PROSPECTUS TRANCHE I CONTAINING, *INTER ALIA*, THE TERMS AND CONDITIONS OF TRANCHE I ISSUE ("PROSPECTUS TRANCHE I"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED OCTOBER 21, 2015 FILED WITH THE REGISTRAR OF COMPANIES, NATIONAL CAPITAL TERRITORY OF DELHI AND HARYANA ("RoC"), DESIGNATED STOCK EXCHANGE AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") FOR THE ISSUE. THE SHELF PROSPECTUS TOGETHER WITH THE PROSPECTUS TRANCHE I SHALL CONSTITUTE THE "PROSPECTUS".

* In pursuance of CBDT Notification No. 59/2015, our Company is authorised to raise a minimum of 70% of the allocated limit by way of various tranche(s) of public issue. Our Company has raised an amount aggregating to ₹ 300 crore, equivalent to 30% of the allocated limit, through private placement route. Our Company shall ensure that Bonds issued through public issue route and private placement route in the Fiscal 2016 shall together not exceed the allocated limit.

The Issue, and for the avoidance of doubt, this Tranche I Issue is being made under the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended ("**SEBI Debt Regulations**") and Notification no. 59/2015.F.No.178/27/2015-ITA-1 dated July 6, 2015 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India ("**CBDT Notification**"), by virtue of powers conferred upon it by item (h) of sub-clause (iv) of clause (15) of section 10 of the Income Tax Act.

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in relation to the Issue. For taking an investment decision, Investors must rely on their own examination of the Issuer and the Issue including the risks involved. Investors are advised to refer to section "***Risk Factors***" of the Shelf Prospectus and "***Recent Developments***" of the Prospectus Tranche I before making an investment in the Tranche I Issue. The Prospectus Tranche I has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), any registrar of companies or any stock exchange in India.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT

For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the Bonds, please refer to the chapter "***Terms of the Issue***" on page 64.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer having made all reasonable inquiries, accepts responsibility for, and confirms that the Shelf Prospectus read together with the Prospectus Tranche I contains all information with regard to the Tranche I Issue which is material in the context of the Tranche I Issue; the information contained in the Shelf Prospectus together with the respective Tranche Prospectus for a Tranche Issue will be true and correct in all material respects and is not misleading in any material respect; the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes the Shelf Prospectus read with the Prospectus Tranche I as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect at the time of the Tranche I Issue.

CREDIT RATINGS

CRISIL Limited ("**CRISIL**") vide its letter no. PB/FSR/REC/2015-16/925 dated September 15, 2015, has assigned a credit rating of "CRISIL AAA/Stable " to the long term borrowing programme of our Company for FY 2015-16 aggregating to ₹45,500 crore and vide its letter no. PB/FSR/REC/2015-16/1109 dated October 19, 2015 dated revalidated the credit rating. Credit Analysis & Research Limited ("**CARE**") vide its letter no. CARE/DRO/RL/2015-16/1648 dated September 15, 2015 has assigned a credit rating of "CARE AAA (Triple A)" to the market borrowing programme of our Company for FY 2015-16 aggregating to ₹45,500 crore and vide its letter no. CARE/DRO/RL/2015-16/1878 dated October 19, 2015 revalidated the credit rating.. India Ratings & Research Private Limited ("**IRRPL**") vide its letter dated September 16, 2015 has assigned a credit rating of "IND AAA/Stable" to the borrowing programme of our Company for FY 2015-16 aggregating to ₹45,500 crore and vide its letter dated October 19, 2015 revalidated the credit rating. ICRA Limited ("**ICRA**") vide its letter no. D/RAT/2015-16/R7/7 dated September 16, 2015 has assigned the rating of "[ICRA] AAA" to the long term borrowing programme of our Company for FY 2015-16 aggregating to ₹45,500 crore and vide its letter no. D/RAT/2015-16/R7/8 dated October 19, 2015 revalidated the credit rating. Instruments with such ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The above ratings are not a recommendation to buy, sell or hold securities and hence the Investors should take their own decision before investing in the Issue. These ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings. For further details and for rationale for the above ratings, please refer to Appendix - II of the Shelf Prospectus.

PUBLIC COMMENTS

The Draft Shelf Prospectus has been filed with the BSE Limited ("**BSE**") ("Designated Stock Exchange") on October 13, 2015 pursuant to Regulation 6(2) of the SEBI Debt Regulations and was open for public comments for a period of 7 (seven) Working Days from the date of filing the Draft Shelf Prospectus with BSE.

LISTING

The Bonds are proposed to be listed on the BSE, the Designated Stock Exchange for the Issue. The BSE has given its in principle approval for listing *vide* letter no. DCS/SJ/PI-BOND/08/15-16 dated October 20, 2015.

ELIGIBLE INVESTORS

Participation by any of eligible category of Applicants in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of Bonds pursuant to the Issue. For details pertaining to eligible Investors please refer to "***Issue Structure***" and "***Terms of the Issue***" on page 57 and 64 of this Prospectus Tranche-I.

	LEAD MANAGERS TO THE ISSUE	
A.K. CAPITAL SERVICES LTD. BUILDING BONDS	Edelweiss Ideas create, values protect	RR
A.K. CAPITAL SERVICES LIMITED 30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400021 Tel: +91 22 6754 6500/ 6634 9300; Facsimile: +91 22 6610 0594 Email: rectfbonds4@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akcapindia.com Contact Person: Mr. Mandeep Singh Compliance Officer: Ms. Kanchan Singh SEBI Registration No.: INM000010411	**EDELWEISS FINANCIAL SERVICES LIMITED** Address: Edelweiss House Off CST Road, Kalina, Mumbai 400 098 Maharashtra, India Tel: +91 22 4086 5065; Facsimile: +91 22 4086 3610 Email: rectf2015@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr. Lokesh Singhi Compliance Officer: Mr. B. Renganathan SEBI Registration No.: INM0000010650	**RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED** Address: 47, MM Road, Rani Jhansi Marg, Jhandewalan, New Delhi - 110055 Tel: 011-23636362/63 Facsimile: 011-23636746 Email: rectaxfree2015@rrfcl.com Website: www.rrfinance.com/ www.rrfcl.com Investor Grievance Email: investors@rrfcl.com Contact Person: Mr. Anurag Awasthi Compliance Officer: Mr. Ravi Kant Goyal SEBI Registration No.: INM000007508

TRUSTEE FOR THE BONDHOLDERS**	**REGISTRAR TO THE ISSUE**
SBICAP Trustee Company Ltd.	KARVY Computershare
SBICAP TRUSTEE COMPANY LIMITED Apeejay House, 6th Floor, 3, Dinshaw Wachha Road, Churchgate, Mumbai – 400020 Tel: +91 22 4302 5555; Facsimile: +91 22 2204 0465 Email:corporate@sbicaptrustee.com; Investor Grievance Email: investor.cell@sbicaptrustee.com Website: www.sbicaptrustee.com Contact Person/Compliance Officer: Mr. Ajit Joshi SEBI Registration No.: IND000000536	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Telangana, India Toll Free No.1-800-3454001; Tel: +91 40 6716 2222; Facsimile: +91 40 2343 1551 Investor Grievance Email: recl.bonds@karvy.com Website: https://karisma.karvy.com Contact Person: Mr. M Murali Krishna Compliance Officer: Mr. Rakesh Santhalia SEBI Registration Number: INR000000221

ISSUE PROGRAMME*

ISSUE OPENS ON: October 27, 2015	**ISSUE CLOSES ON:** November 4, 2015

* *The subscription list for the Tranche I Issue shall remain open for subscription, from 10:00 A.M. to 5:00 P.M during the period indicated above, with an option for early closure or extension as may be decided by the Board of Directors or the Bond Committee of our Company. In the event of such early closure or extension of the subscription list of the Tranche I Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the Tranche Issue Closing Date, as the case may be, through advertisement/s in at least one leading national daily newspaper with wide circulation. On the Tranche I Issue Closing Date Application Forms will be accepted only between 10:00 am to 3:00 pm (Indian Standard Time) and uploaded until 5:00 pm or such extended time as may be permitted by the BSE.*

** *SBICAP Trustee Company Limited has by its letter no. 2227/SBICTCL/DT/2015-16 dated October 5, 2015 given its consent for its appointment as Trustee for the Bondholders to the Issue and for its name to be included in the Prospectus and in all the subsequent periodical communications sent to the holders of the Bonds issued pursuant to this Issue.*

*A copy of this Prospectus Tranche I shall be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"), in terms of Section 26 and Section 31 of the Companies Act, 2013, along with endorsed/certified copies of all requisite documents. For more information, see "**Material Contracts and Documents for Inspection**" on page 118 of the Prospectus Tranche I.*

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DEFINITIONS AND ABBREVIATIONS

This Prospectus Tranche I uses certain definitions and abbreviations, which unless the context indicates or implies otherwise, have the meaning as provided below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
"the Company"/"our Company"/ "REC"/the "Issuer"	Rural Electrification Corporation Limited, a public limited company incorporated under the Companies Act, 1956. The Corporate Identification Number of our Company is L40101DL1969GOI005095.
"we"/"us"/"our"	Our Company together with its Subsidiaries, associates and its joint venture on a consolidated basis.
Articles/Articles of Association	Articles of Association of our Company as amended from time to time.
Associate Company/ Joint Ventures	Energy Efficiency Services Limited
Board/Board of Directors	Board of Directors of our Company unless otherwise specified.
Equity Shares	Equity Shares of our Company of the face value of ₹ 10 each unless otherwise specified.
Memorandum/Memorandum of Association/MoA	Memorandum of Association of our Company as amended from time to time.
Registered Office and Corporate Office	Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003, India.
Statutory Auditors	M/s Raj Har Gopal & Co., Chartered Accountants and M/s. A R & Co., Chartered Accountants.
Subsidiaries	The direct and indirect subsidiaries of our Company, as mentioned in the section titled "***History and Certain Corporate Matters***" on page 126 of the Shelf Prospectus.

Issue Related Terms

Term	Description
A.K Capital	A.K Capital Services Limited.
Allotment/Allot/Allotted	The issue and allotment of the Bonds to the successful Applicants, in relation to Tranche I Issue.
Allottee(s)	A successful Applicant to whom the Bonds are Allotted pursuant to the Issue, either in full or in part pursuant to the Issue.
Allotment Advice	The communication sent to the Allottees conveying the details of Bonds Allotted to the Allottees in accordance with the Basis of Allotment.
Applicant(s) /Investor(s)	A person who makes an offer to subscribe to the Bonds pursuant to the terms of the Shelf Prospectus, Prospectus Tranche I and Application Form for the Tranche I Issue.
Application	An application to subscribe to the Bonds offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the Prospectus Tranche I.
Application Amount	The aggregate value of the Bonds applied for by the Applicant, as indicated in the Application Form for Tranche I Issue.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the Application for Allotment of Bonds in the Tranche I Issue.
"ASBA"/ "Application Supported by Blocked Amount" or "ASBA Application (s)"	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the Application Amount in the specified bank account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB, which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant.
ASBA Applicant	Any Applicant who applies for Bonds through the ASBA mechanism.

Term	Description
Banker(s) to the Issue/Escrow Collection Bank(s)	HDFC Bank Limited, Yes Bank Limited, Axis Bank Limited, IDBI Bank Limited, Indusind Bank Limited, State Bank of India, and Punjab National Bank.
Base Issue Size	300 crore
Basis of Allotment	The basis on which Bonds will be Allotted to Applicants under the Tranche I Issue and which is described in section titled "***Issue Procedure***" on page 109 of this Prospectus Tranche I.
Bond(s)/Tax Free Bond(s)	Tax free secured redeemable non-convertible bonds of face value of ₹ 1000 each in the nature of debentures having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by our Company under the terms of the Shelf Prospectus and Prospectus Tranche I.
Bond Certificate (s)	Certificate issued to the Bondholder(s) who have applied for Allotment of the Bonds in physical form or in case the Bondholder(s) have opted for rematerialisation of Bonds.
Bond Committee	Committee constituted by the Board of Directors in their meeting held on August 7, 2015.
Bondholder (s)	Any person holding the Bonds and whose name appears in the list of beneficial owners provided by the Depositories (in case of Bonds held in dematerialised form) or whose name appears in the Register of Bondholders maintained by the Issuer/Registrar (in case of Bonds held in physical form).
Bond Trust Deed/ Bond Trust cum Mortgage Deed	Bond trust cum Mortgage deed to be entered into between the Trustee and our Company.
BSE	BSE Limited.
CARE	Credit Analysis & Research Limited.
Category I (Institutions)	• Public Financial Institutions as defined in section 2(72) of the Companies Act, 2013, as amended, scheduled commercial banks, resident multilateral and bilateral development financial institutions, state industrial development corporations; • Provident funds and pension funds with minimum corpus of ₹ 25 crore; • Insurance companies registered with the IRDA; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India; • Mutual funds registered with SEBI; and • Resident Alternative Investment Funds and Venture Capital Funds registered with SEBI, subject to investment conditions applicable to them. which are authorized to invest in the Issue. *With regard to Section 186(7) of the Companies Act, 2013, see general circular(No. 6/2015), dated April 9, 2015 issued by the MCA clarifying that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the prevailing yield of one year, three year, five year or ten year government security closest to the tenor of the loan, there is no violation of Section 186(7) of the Companies Act, 2013.*
Category II	• Companies within the meaning of section 2 (20) of the Companies

Term	Description
(Corporates)	Act, 2013; • Statutory bodies/corporations; • Cooperative banks; • Trusts including Public/ private /religious trusts; • Limited liability partnerships; • Partnership firms in the name of the respective partners. • Regional rural banks; • Societies registered under the applicable law in India; • Association of persons; and • Other legal entities, subject to compliance with their respective applicable legislations; which are authorized to invest in the Issue. *With regard to Section 186(7) of the Companies Act, 2013, see general circular(No. 6/2015), dated April 9, 2015 issued by the MCA clarifying that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the prevailing yield of one year, three year, five year or ten year government security closest to the tenor of the loan, there is no violation of Section 186(7) of the Companies Act, 2013.*
Category III (High Networth Individuals) ("HNIs")	The following Investors applying for an amount aggregating to above ₹10 lakhs across all Series of Bonds in Tranche I Issue: • Resident Indian individuals; • Hindu Undivided Families through the Karta; and • Non Resident Indians on non-repatriation basis only; which are authorized to invest in the Issue.
Category IV (Retail Individual Investors) ("RIIs")	The following Investors applying for an amount aggregating upto and including ₹ 10 lakhs across all Series of Bonds in Tranche I Issue: • Resident Indian individuals; • Hindu Undivided Families through the Karta; and • Non Resident Indians on a non-repatriation basis only which are authorized to invest in the Issue.
CDSL Agreement	Tripartite agreement dated October 16, 2007 among REC, Registrar and CDSL for offering depository option to the Bondholders.
Collection Centres	Collection Centres shall mean those branches of the Bankers to the Issue that are authorised to collect the Application Forms (other than ASBA) as per the Escrow Agreement to be entered into by our Company, Bankers to the Issue, Registrar and Lead Managers.
Consolidated Bond Certificate	A certificate that shall be issued by our Company to the Bondholder(s) for the aggregate face value amount of the Bonds under each Series that are Allotted to them in physical form under Tranche I Issue or issued upon rematerialization of Bonds held in dematerialised form.

Term	Description
Consortium Agreement	Consortium Agreement dated October 21, 2015 among our Company and the Members of the consortium as defined hereinafter.
Members of the Consortium for marketing of the Issue	Lead Managers and the Consortium Members.
Consortium Members	A.K. Stockmart Private Limited, Edelweiss Securities Limited and RR Equity Brokers Private Limited.
Corporates	Applications received from Corporates and grouped together under Category II.
Credit Rating Agencies	For the present Issue, Credit Rating Agencies are CRISIL, CARE, IRRPL and ICRA.
CRISIL	CRISIL Limited.
Deemed Date of Allotment	The date on which the Board of Directors or Bond Committee approves the Allotment of the Bonds for Tranche I Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Stock Exchange. All benefits relating to the Bonds including interest on Bonds shall be available to the Bondholders from the Deemed Date of Allotment. The actual Allotment of Bonds may take place on a date other than the Deemed Date of Allotment.
Demographic Details	The demographic details of an Applicant, such as his address, category, bank account details and PAN for printing on refund orders.
Depositories	CDSL and NSDL.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on: http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which Application Amounts are transferred from the Escrow Account and ASBA Accounts to the Public Issue Account subject to the necessary systems and infrastructure being in place and any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the BSE and/or SEBI.
Designated Stock Exchange	BSE Limited
Direct Online Application	The Application made using the online interface and online payment facility of the stock exchange(s). This facility is available only for demat account holders who wish to hold the Bonds pursuant to the Issue in dematerialised form.
DP IP	Depository Participant ID
Edelweiss	Edelweiss Financial Services Limited
Electricity Act	Electricity Act, 2003.
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Applicants (other than ASBA Applicants) will issue cheques or demand drafts, in respect of the Application Amount while submitting an Application for Tranche I Issue.
Escrow Agreement	Agreement dated October 19, 2015 entered into amongst our Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for each Tranche Issue for collection of the Application Amounts (excluding ASBA Applicants).
HNI	High Net Worth Individual
HNI Portion	Applications received from HNIs and grouped together under Category III.
ICRA	ICRA Limited.
IRRPL	India Ratings and Research Private Limited.
Institutional Portion	Applications received from Institutions and grouped together under Category I.
Interest/ Coupon Payment Date	First Coupon/ Interest Payment Date shall be December 28, 2015, and subsequently on December 1 of every year until the Maturity Date/ Redemption Date of the series of Bonds.
Issue	Public issue by Rural Electrification Corporation Limited ("**REC**" or

Term	Description
	"**Issuer**" or the **"Company**") of tax free secured redeemable non convertible bonds of face value of ₹1000 each in the nature of debentures having tax benefits under section 10 (15)(iv)(h) of the Income Tax Act, 1961, as amended ("**Income Tax Act**") and such bonds ("**bonds**"), for an amount aggregating upto the Shelf Limit* (₹700 crore) by way of issuance of bonds in one or more tranches in the fiscal 2016 (each a "tranche issue", and together all tranche issues upto the Shelf Limit, "issue"). This tranche issue by the issuer is of bonds for an amount of ₹300 crore ("**Base Issue Size**") with an option to retain oversubscription of upto ₹400 crore aggregating upto ₹700 crore ("**Tranche I Issue**"). This Tranche I Issue is being offered by way of this Prospectus Tranche I containing, inter alia, the terms and conditions of Tranche I Issue ("**Prospectus Tranche I**"), which should be read together with the Shelf Prospectus dated October 21, 2015 filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"), designated stock exchange and the Securities and Exchange Board of India ("**SEBI**") for the issue. The shelf prospectus together with the Prospectus Tranche I shall constitute the "prospectus". ** In pursuance of CBDT Notification No. 59/2015, our Company is authorised to raise a minimum of 70% of the allocated limit by way of various tranche(s) of public issue. Our Company has raised an amount aggregating to ₹ 300 crore, equivalent to 30% of the allocated limit, through private placement route. Our Company shall ensure that Bonds issued through public issue route and private placement route in the Fiscal 2016 shall together not exceed the allocated limit.* The Issue, and for the avoidance of doubt, this Tranche I Issue is being made under the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended ("**SEBI Debt Regulations**") and Notification no. 59/2015.F.No.178/27/2015-ITA-1 dated July 6, 2015 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India ("**CBDT Notification**"), by virtue of powers conferred upon it by item (h) of sub-clause (iv) of clause (15) of section 10 of the Income Tax Act.
Issue Closing Date/ Tranche Issue Closing Date	November 4, 2015.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Issue Opening Date/Tranche Issue Opening Date	October 27, 2015.
Issue Size	₹300 crore i.e. the Base Issue Size, with an option to retain oversubscription of upto ₹ 400 crore aggregating upto ₹ 700 crore.
Lead Managers/ LMs	A. K. Capital Services Limited, RR Investors Capital Services Private Limited and Edelweiss Financial Services Limited.
Market / Trading Lot	1 (One) Bond.
Members of the Syndicate	Members of the Consortium for marketing of the Issue, brokers and sub brokers.
Non Resident Escrow Account	Escrow Account opened with the Escrow Collection Bank(s) in connection with the Application Monies received from non-residents.
Non Resident Public Issue Account	Public issue account opened with the Escrow Collection Bank(s) in connection with the transfer of monies from the Non Resident Escrow Accounts.
Notification/ CBDT Notification	Notification No. 59/2015.F.No.178/27/2015-ITA.1 dated July 6, 2015 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, GoI.
NSDL Agreement	Tripartite agreement dated November 15, 2007 among REC, Registrar and NSDL executed for offering depository option to the Tranche Bondholders.
Offer Documents	Shelf Prospectus, Prospectus Tranche I, Application Form and Abridged Prospectus.

Term	Description
Overseas Corporate Body/ OCB(s)	A company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty percent by non-resident Indian and includes overseas trust in which not less than sixty percent beneficial interest is held by non-resident Indian directly or indirectly but irrevocably and which was in existence on the date of commencement of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003 (the Regulations) and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. The OCBs are not permitted to invest in the Issue.
Person Resident in India	i) a person residing in India for more than one hundred and eighty-two days during the course of the preceding financial year but does not include – A. A person who has gone out of India or who stays outside India, in either case- a) for or on taking up employment outside India, or b) for carrying on outside India a business or vocation outside India, or c) for any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period; B. A person who has come to or stays in India, in either case, otherwise than- a) for or on taking up employment in India; or b) for carrying on in India a business or vocation in India, or c) for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period; ii) any person or body corporate registered or incorporated in India, iii) an office, branch or agency in India owned or controlled by a person resident outside India, iv) an office, branch or agency outside India owned or controlled by a person resident in India.
Person Resident Outside India	A person who is not a Person resident in India.
Portion/Portions	Institutional Portion, Corporates Portion, HNI Portion and Retail Portion are individually referred to as "Portion" and collectively as "Portions".
Prospectus	The Shelf Prospectus read along with the Prospectus Tranche I.
Prudential Norms of REC/our Prudential Norms	Prudential norms of REC as approved by our Board of Directors.
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts and/or the SCSBs for the Issue on the Designated Date.
RR	RR Investors Capital Services Private Limited
Record Date	15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption Date for Bonds issued under the Prospectus Tranche I. In the event the Record Date falls on a Sunday or a holiday of the Depositories, the succeeding Working Day or a date notified by our Company to the stock exchanges, shall be considered as the Record Date.
Redemption Amount/Maturity Amount	Repayment of the face value amount of Bonds plus any interest that may have accrued on the Redemption Date.
Redemption Date/Maturity Date	10 years from the Deemed Date of Allotment for Tranche I Series 1 (A & B) Bonds; 15 years from the Deemed Date of Allotment for Tranche I Series 2 (A & B) Bonds and 20 years from the Deemed Date of Allotment for Tranche I Series 3 (A & B) Bonds.
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount shall be made by our Company to the Applicants (excluding ASBA Applicants).

Term	Description
Refund Bank(s)	Yes Bank Limited
Register of Bondholders	The register of Bondholders maintained by the Issuer/Registrar/Depositories in accordance with the provisions of the Companies Act and as more particularly detailed in section titled "***Terms of the Issue***" on page 66 of the Prospectus Tranche I.
Registrar to the Issue/ Registrar	Registrar to the Issue in this case being Karvy Computershare Private Limited.
Registrar MoU	Memorandum of Understanding dated September 28, 2015 entered into between our Company and the Registrar to the Issue.
Resident Escrow Account	Escrow Account opened with the Escrow Collection Bank(s) in connection with the Application Monies received from residents.
Resident Public Issue Account	Public issue account opened with the Escrow Collection Bank(s) in connection with the transfer of monies received from the Resident Escrow Account.
Residual Shelf Limit	In relation to each Tranche Issue, this shall be the Shelf Limit less the aggregate amount of Bonds Allotted under all previous Tranche Issue(s).
Retail Portion	Applications received from RIIs and grouped together under Category IV.
SEBI Exemption Letter	Letter No. IMD/DOF-1/BM/VA/OW/28143/2015 and Letter No. IMD/DOF-1/BM/VA/OW/28279/2015, both dated October 6, 2015 issued by the SEBI to Rural Electrification Corporation Limited.
Security	The Bonds issued by our Company will be secured by way of first/*pari passu* charge on the book debts and/or immovable property of our Company, other than those that are exclusively charged/earmarked to any trustee/lender(s) of our Company, and/or any other security as may be agreed between our Company and the Trustee, pursuant to the terms of the Bond Trust cum Mortgage Deed with a minimum security cover of one time of the aggregate face value of Bonds and interest thereon outstanding at all times during the currency of the Bonds. The permissions or consents to create *pari passu* charge on assets of the Issuer have been obtained from the earlier creditors.
"Self-Certified Syndicate Banks" or "SCSBs"	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on: http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Series Bondholder (s)	Holder(s) of the Bond(s) of a particular Series issued under a Tranche Issue.
Series of Bonds/Series	A series of Bonds, which are identical in all respects including but not limited to terms and conditions, listing and ISIN number (in the event that Bonds in a single Series of Bonds carry the same coupon rate) and as further stated to be an individual "Series" in the Prospectus Tranche I.
Shelf Limit	The aggregate limit of the Issue being ₹ 700 crore*****, to be issued by our Company by way of public issue in one or more Tranche Issues in the Fiscal 2016 ***** *In pursuance of CBDT Notification No. 59/2015, our Company is authorised to raise a minimum of 70% of the allocated limit by way of various tranche(s) of public issue. Our Company has raised an amount aggregating to ₹300 crore, equivalent to 30% of the allocated limit, through private placement route. Our Company shall ensure that Bonds issued through public issue route and private placement route in the Fiscal 2016 shall together not exceed the allocated limit.*
Shelf Prospectus	The Shelf Prospectus dated October 21, 2015 filed by our Company with the RoC, the Stock Exchange and SEBI pursuant to the provisions of the SEBI Debt Regulations.
Stock Exchange	BSE

Term	Description
Syndicate ASBA Application Locations/ Specified Cities	Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the Members of the Syndicate shall accept ASBA Applications.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website(s) as may be prescribed by SEBI from time to time.
Tax-free	Tax-free in the context of the Issue refers to tax benefits under Section 10(15)(iv)(h) of the Income Tax Act.
"Transaction Registration Slip" or "TRS"	The acknowledgement slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his Application for the Bonds.
Trading Members	Intermediaries registered as brokers or sub-brokers with the stock exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by the stock exchanges from time to time, and duly registered with the stock exchange(s) for collection and electronic upload of Application Forms on the online Application platform provided by such stock exchange.
Tranche Issue	Issue of Bonds as per the terms specified in each Tranche Prospectus.
Tranche I Issue	Issue of Bonds for an amount of ₹ 300 crores with an option to retain oversubscription upto ₹ 400 crores aggregating upto ₹ 700 crores.
Tranche Prospectus(es)	The tranche prospectus(es) containing the details of Bonds including interest, other terms and conditions, recent developments, general information, objects, procedure for Application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection of the respective Tranche Issue.
Tripartite Agreements	Agreements entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories agree to act as depositories for the securities proposed to be issued by the Issuer.
Trustee Agreement	Agreement dated July 17, 2015 executed between our Company and the Trustee.
Trustee for the Bondholders/Trustee	Trustee for the Bondholders in this case being SBICAP Trustee Company Limited.
Working Days	All days, excluding Sundays or a holiday of commercial banks or a public holiday in Delhi or Mumbai, except with reference to Issue Period and Record Date, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post Issue Period, i.e. period beginning from Issue Closing Date to listing of the Bonds, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India.

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
₹ or Rs. or Rupees	Indian Rupees (the lawful currency of India)
$ or US$ or USD	United States dollar (the lawful currency of the United States of America)
€ or Euro or Eur	Euro (the official and lawful currency of European Union, which consists of 19 of the 28 member states i.e. Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain)

Term/Abbreviation	Description/ Full Form
¥ or Yen or JPY	Japanese Yen (the lawful currency of the Japan)
Companies Act 2013	Companies Act, 2013, to the extent notified by the MCA and in force as of the date of the Shelf Prospectus
Companies Act 1956	Companies Act, 1956 to the extent not repealed, as of the date of the Shelf Prospectus
Companies Act	Companies Act, 2013 (to the extent in force) and the rules thereunder, and the Companies Act, 1956 (to the extent not repealed) and the rules thereunder, each, as amended
AGM	Additional General Manager
ALM	Asset Liability Management
AS	Accounting Standards as notified under the Companies Act
BD	Business Development
BPC	Bid Process Coordinator
BPL	Below Poverty Line
BPLR	Benchmark Prime Lending Rate
CAG	Comptroller and Auditor General of India
CAR	Capital Adequacy Ratio
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CERC	Central Electricity Regulatory Commission
CGSL	Classic Global Securities Limited
CHF	Swiss franc (the currency and legal tender of Switzerland and Liechtenstein)
CII	Confederation of Indian Industry
CIT	Commissioner of Income Tax
CoR	Certificate of Registration
CP	Corporate Planning
CPSE	Central Public Sector Enterprise
CPSU	Central Public Sector Undertaking
CPUs	Central Power Utilities
CRAR	Capital to Risk Weighted Assets Ratio
CSEB	Chhattisgarh State Electricity Board
CSPDCL	Chhattisgarh State Power Distribution Company Limited
CSR	Corporate Social Responsibility
DDG	Decentralised Distributed Generation
DDUGJY	Deen Dayal Upadhyay Gram Jyoti Yojana
Debt Listing Agreement	The agreement for listing of debt securities on the Stock Exchange
Debt Recovery Act	The Recovery of Debts Due to Banks and Financial Institutions Act, 1993
Depositories Act	The Depositories Act, 1996
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion, Ministry of Commerce & Industry
DoEA	Department of Economic Affairs, Ministry of Finance, Government of India
DoFS	Department of Financial Services, Ministry of Finance, Government of India
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DPE	Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises
DRR	Debenture Redemption Reserve
DRT	Debt Recovery Tribunal
DSIJ	Dalal Street Investment Journal

Term/Abbreviation	Description/ Full Form
DSM	Demand Side Management
DTC	Direct Tax Code
DVC	Damodar Valley Corporation
Eds	Electricity Departments
EESL	Energy Efficiency Services Limited
Equity Listing Agreement	The agreement for listing of equity securities on the Stock Exchange
ERP	Enterprise Resource Planning
ESCOs	Energy Service Companies
F&A	Finance and Accounts
FC	Financial Concurrence
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FII	Foreign Institutional Investor
FIMMDA	Fixed Income Money Market and Derivative Association of India
Fin	Finance
Financial Year/Fiscal/ FY	Period of 12 months ended March 31 of that particular year
FPI	Foreign Portfolio Investor
FPO	Follow on Public Offer
GDP	Gross Domestic Product
Gen.	Generation
GoI or Government	Government of India
GVSS	Gramin Vidyut Sahkari Samiti
GW	Giga Watt
HDFC	HDFC Bank Limited
HR	Human Resources
HRM	Human Resource Management
HUF	Hindu Undivided Family
HVDS	High Voltage Distribution Systems
IA	Internal Audit
IAS	Indian Administrative Services
ICAI	Institute of Chartered Accountants of India
IEX	Indian Energy Exchange Limited
IFSC	Indian Financial System Code
IIFCL	India Infrastructure Finance Company Limited
Income Tax Act/ IT Act	Income Tax Act, 1961
India	Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
IPO	Initial Public Offer
IRDA	Insurance Regulatory and Development Authority
IREDA	Indian Renewable Energy Development Agency Limited
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
ITCL	IL&FS Trust Company Limited
ITSL	IDBI Trusteeship Services Limited
JICA	Japan International Cooperation Agency
JVA	Joint Venture Agreement
KfW	Kreditanstalt fur Wiederaufbau
KSEB	Karnataka State Electricity Board
Kv	Kilo Volt
KWh	kilowatt hour
KYC	Know Your Customer
LIBOR	London Inter-Bank Offer Rate
LIC	Life Insurance Corporation of India

Term/Abbreviation	Description/ Full Form
LVDS	Low Voltage Distribution Systems
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MoF	Ministry of Finance, Government of India
MoP	Ministry of Power, Government of India
MoU	Memorandum of Understanding
MP	Madhya Pradesh
MPERC	Madhya Pradesh Electricity Regulatory Commission
MPSEB	Madhya Pradesh State Electricity Board
MTL	Medium Term Loan
NAPCC	National Action Plan for Climate Change
NBFC	Non Banking Financial Company, as defined under applicable RBI guidelines
NBFC-ND	Non-Deposit Taking NBFC
NBFC-SD-SI	Systemically Important Non-Deposit Taking NBFC
NECS	National Electronic Clearing System
NEF	National Electricity Fund
NEFT	National Electronic Fund Transfer
NR	Non-Resident
NRE	Non-Resident External
NRI	Non Resident Indians i.e. a Person resident outside India, as defined under FEMA, and who is a citizen of India or a Person of Indian origin and such term as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO	Non-Resident Ordinary
NRSR	Non-Resident (Special) Rupee
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTP	National Tariff Policy
P&C	Parliament & Coordination
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PFC	Power Finance Corporation Limited
PFI	Public Financial Institution, as defined under Section 4A of the Companies Act
PGCIL	Power Grid Corporation of India Limited
PIO	Person of Indian Origin
PLR	Prime Lending Rate
PM	Project Monitoring
PMDO	Pooled Municipal Debt Obligation
PSE	Public Sector Enterprise
R&TA	Registrar & Share Transfer Agent
RBI	Reserve Bank of India
RE	Renewable Energy
RECLU	Rural Electrification Corporation Limited Employees' Union
RECPDCL	REC Power Distribution Company Limited
RECTPCL	REC Transmission Projects Company Limited
Reg S	Regulation S under Securities Act, 1933
RGGVY	Rajeev Gandhi Grameen Vidyutikaran Yojna
RIICO	Rajasthan State Industrial and Investment Corporation Limited
RM	Resource Mobilisation
RMC	Risk Management Committee
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana

Term/Abbreviation	Description/ Full Form
RTGS	Real Time Gross Settlement
RTI	Right to Information
SARFAESI / Securitization Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SBF	Small is Beautiful Fund
SBI	State Bank of India
SC	Screening Committee or Supreme Court of India, as the context may require
SD	Sustainable Development
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008
SLR Bonds	Bonds that qualify under statutory liquidity ratio to be maintained by banks/other institutions as prescribed by the RBI from time to time
STL	Short Term Loan
STUs	State Transmission Utilities
SWFs	Sovereign Wealth Funds
T&D	Transmission and Distribution
TCSC	Thyristor Controlled Series Compensation
TFL	Transitional Finance Loan
The Gratuity Act	Payment of Gratuity Act, 1972
u/s	under Section
UAN	Unique Acknowledgement Number
UCX	Universal Commodity Exchange Limited
UNDP	United National Development Programme
UP	Uttar Pradesh
USA	United States of America
VTL	Vizag Transmission Limited
w.e.f	with effect from
WBSECA	West Bengal State Electrical Contractors Association

Business / Industry Related Terms

Term/Abbreviation	Description/ Full Form
ADB	Asian Development Bank
ALCO	Asset Liability Management Committee
APDRP	Accelerated Power Development and Reform Program
AT&C	Aggregate Technical and Commercial
CAGR	Compounded Annual Growth Rate
CEA	Central Electricity Authority
CIRE	Central Institute for Rural Electrification Corporation
DISCOM/Discom	Distribution Company
DMS	Distribution Management System/Document Management System
DPE	Department of Public Enterprises, GoI
DDUGJY	Deen Dayal Upadhaya Gram Jyoti Yojana
ECBs	External Commercial Borrowings
GENCO/Genco	Generation Company
IC&D	International Co-operation & Development
IFC	Infrastructure Finance Company
IPP	Independent Power Producer
ISO	International Organization for Standardization
ITP	Independent Transmission Project(s)
MNRE	Ministry of New and Renewable Energy
MW	Mega Watts
NHPC	NHPC Limited

Term/Abbreviation	Description/ Full Form
NPAs	Non-Performing Assets
NTPC	NTPC Limited
PSU	Public Sector Undertaking
PV	Photovoltaic
R-APDRP	Restructured Accelerated Power Development and Reform Programme
SEB(s)	State Electricity Boards
SERC	State Electricity Regulatory Commission
SPU	State Power Utility(ies)
SPV	Special Purpose Vehicle
TRANSCO/Transo	Transmission Company
UMPP	Ultra Mega Power Project
USAID	United States Agency for International Development
USPP	United State Private Placement

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Prospectus Tranche I to "India" are to the Republic of India and its territories and possessions.

Financial Data

Unless stated otherwise, the financial data in the Prospectus Tranche I is derived from (i) our audited standalone financial statements, prepared in accordance with Indian GAAP and the Companies Act for fiscal years ended March 31, 2015, 2014, 2013, 2012 and 2011; and/or (ii) our audited consolidated financial statements, prepared in accordance with Indian GAAP and the Companies Act for the fiscal years ended March 31, 2015, 2014, 2013, 2012 and 2011and/or (iii) limited review of standalone financial for the three months ended on June 30, 2015. In Prospectus Tranche I, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular "financial year", "fiscal year" and "Fiscal" or "FY", unless stated otherwise, are to be 12 months period ended on March 31 of that year.

The degree to which the Indian GAAP financial statements included in this Prospectus Tranche I will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in Prospectus Tranche I should accordingly be limited.

Industry and Market Data

Any industry and market data used in Prospectus Tranche I consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable but it has not been independently verified by us or its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in Prospectus Tranche I is reliable, but the same has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent of the meaningfulness of the industry and market data, presented in the Prospectus Tranche I, depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Currency and Unit of Presentation

In Prospectus Tranche I, references to "₹", "Rs." and "Rupees" are to Indian Rupees i.e. the legal currency of India; references to "$", "USD", and "U.S. dollars" are to United States dollar i.e. the lawful currency of the United States of America; references to "Euro" and "€" are to Euro i.e. the official and lawful currency of 19 countries of European Union; references to "¥", "Yen" and "JPY" are to Japanese yen i.e. the legal currency of Japan; and references to "CHF" are to the Swiss franc i.e. currency and legal tender of Switzerland and Liechtenstein. Unless the context otherwise require for the purposes of Prospectus Tranche I data will be given in ₹ in crore. In Prospectus Tranche I, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

Exchange Rates

The exchange rates (₹) of the US$, JPY, € and CHF as for last 5 years are as provided below:

Currency	March 31, 2011	March 31, 2012^	March 31, 2013*	March 31, 2014#	March 31, 2015
1 USD	44.65	51.16	54.39	60.10	62.59
100 JPY	54.02	62.43	57.76	58.83	52.11
1 Euro	63.24	68.34	69.54	82.58	67.51
1 CHF	-	56.63	56.97	67.52	64.27

(Source: RBI *for USD, JPY and Euro and Bloomberg for CHF; exchange rates rounded off to two decimal places; as per REC accounting policies)*

^ *March 31, 2012 was a trading holiday; hence, exchange rates for last working day, i.e., March 30, 2012 have been used.*

* *March 31, 2013 was a trading holiday; hence, exchange rates for last working day, i.e., March 28, 2013 have been used.*

\# *March 31, 2014 was a trading holiday; hence, exchange rates for last working day, i.e., March 28, 2014 have been used.*

FORWARD LOOKING STATEMENTS

We have included statements in the Prospectus Tranche I which contain words or phrases such as “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “project”, “should”, and similar expressions or variations of such expressions, that are forward-looking statements.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- changes in the policies or support of the GoI to our business or industry;
- the performance of our loan assets and our ability to secure payment thereon;
- our ability to finance our indebtedness as it comes due and to obtain the additional financing necessary to grow our business;
- our ability to maintain low cost of funds and the continued availability to us of low cost borrowings;
- changes in Indian and international interest rates;
- the continued availability to us of tax benefits;
- our ability to implement our strategy and manage our growth effectively;
- possible contingent liabilities and uninsured losses;
- our ability to grow our asset portfolio;
- our ability to comply with restrictive covenants under our indebtedness and manage our business within those restrictions;
- the outcome of legal proceedings in which we are or may become involved;
- our ability to compete effectively;
- our dependence on our management team and skilled personnel;
- risks associated with the projects we finance;
- general economic and business conditions in the Indian power sector or the Indian economy;
- changes to the regulations that govern us and our borrowers;
- our ability to obtain, renew or comply with regulatory licenses;
- our ability to respond to competitive conditions;
- our ability to successfully implement our strategy;
- our ability to anticipate trends in our current business lines and respond suitably;
- changes in political conditions in India and internationally; and
- governmental and regulatory actions that may affect our business or our industry.

For further discussion on factors that could cause our actual results to differ, see the section titled “***Risk Factors***” on page 17 of the Shelf Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually may occur in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, nor the members of the Consortium, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, Lead Managers will ensure that Investor(s) are informed of material developments until such time as the grant of trading permission by the Stock Exchange for our Bonds pursuant to the Issue.

RECENT DEVELOPMENTS

Except as mentioned in the section "**Our Management**" in relation to change in the composition of the Board of Directors of the Company and its committees, there are no recent developments in relation to our Company as disclosed in the sections titled "**Risk Factors**","**Selected Financial Information**", "**Capital Structure**", "**Summary of Business**", "**Our Business**", "**Regulations and Policies**", "**History and Certain Corporate Matters**", "**Financial Indebtedness**", "**Outstanding Litigations and Material Developments**" and "**Main Provisions of the Articles of Association of the Company**" in the Shelf Prospectus which would make them misleading in any material respect.

All disclosures made in this Prospectus Tranche I, read together with the Shelf Prospectus as the "Prospectus" with respect to Tranche I Issue are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed Issue. The Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes the Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 on July 25, 1969 at New Delhi as "Rural Electrification Corporation Private Limited". The word "private" was deleted from the name of our Company on June 03, 1970. Our Company became a deemed public limited company with effect from July 01, 1975. Our Company was converted into a public limited company with effect from July 18, 2003. For further details in relation to the corporate history of our Company, see the section titled "***History and Certain Corporate Matters"*** on page 120 of the Shelf Prospectus.

Registered and Corporate Office

Our registered and corporate office is presently situated at Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003, India.

Registration

Details	Registration/Identity number
Registration Number	005095
Corporate Identity Number	L40101DL1969GOI005095
RBI Registration Number classifying our Company as Infrastructure Finance Company	14.000011

For details on changes in our Registered Office, see "***History and Certain Corporate Matters***" on page 120 of the Shelf Prospectus.

Address of the Registrar of Companies

The Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower, 61, Nehru Place
New Delhi 110 019, India
Tel: +91 11 2623 5707
Facsimile: +91 11 2623 5702

Company Secretary, Compliance Officer and Director (Finance)

Our Company Secretary is Mr. J. S. Amitabh. The Compliance Officer for the Issue is Mr. Vijay Kumar, Additional General Manager (Finance) and our Director (Finance) is Mr. Ajeet Kumar Agarwal. Their contact details are as follows:

Company Secretary:	**Compliance Officer:**	**Director (Finance):**
Mr. J. S. Amitabh General Manager and Company Secretary Rural Electrification Corporation Limited Core-4, SCOPE Complex 7, Lodhi Road, New Delhi 110 003 Tel: +91 11 2436 7305 Facsimile: +91 11 2436 2039 E-mail: jsamitabh@recl.nic.in	Mr. Vijay Kumar Additional General Manager (Finance) Rural Electrification Corporation Limited Core-4, SCOPE Complex 7, Lodhi Road, New Delhi 110 003 Tel: +91 11 4309 1620 Facsimile: +91 11 2436 8553 E-mail: rectfbond@recl.nic.in	Mr. Ajeet Kumar Agarwal, Rural Electrification Corporation Limited Core-4, SCOPE Complex 7, Lodhi Road New Delhi-110003 Tel: +91 11 24361914 Facsimile: +91 11 24365090 mail: ak.agarwal@recl.nic.in

Investors may contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, Bond Certificates, credit of Allotted Bonds in the respective beneficiary account or refund orders etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of Bonds applied for, amount paid on Application, Depository Participant and the Collection Centres of the Members of the Syndicate where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of Bonds applied for, amount blocked on Application and the Designated Branch or the Collection Centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the Bonds made through the Online Stock Exchange Mechanism or through Trading Members may be addressed directly to the respective Stock Exchange.

LEAD MANAGERS TO THE ISSUE

A. K. Capital Services Limited
30-39 Free Press House, 3rd Floor, Free Press Journal Marg,
215, Nariman Point, Mumbai 400021
Tel: +91 22 6754 6500/ +91 22 6634 9300;
Facsimile: +91 22 6610 0594
Email: rectfbonds4@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Mr. Mandeep Singh
Compliance Officer: Ms. Kanchan Singh
SEBI Registration No.: INM000010411

Edelweiss Financial Services Limited*
Edelweiss House, Off CST Road,
Kalina, Mumbai 400 098
Maharashtra,
Tel.: +91 22 4086 5065
Facsimile.: +91 22 4086 3610
Email: rect2015@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi
Compliance Officer: Mr. B. Renganathan
SEBI Registration No.: INM0000010650

RR Investors Capital Services Private Limited
47, M.M. Road, Rani Jhansi Marg,
Jhandewalan, New Delhi - 110055
Tel: 011-23636362/63
Facsimile: 011-23636746
Email: rectaxfree2015@rrfcl.com
Website: www.rrfinance.com/ www.rrfcl.com
Investor Grievance Email: investors@rrfcl.com
Contact Person: Mr. Anurag Awasthi
Compliance Officer: Mr. Ravi Kant Goyal
SEBI Registration No.: INM000007508

*Note:
1. *Edelweiss Financial Services Limited, along with other merchant bankers, have filed an Appeal before the Securities Appellate Tribunal against the Adjudicating order dated November 28, 2014 passed by SEBI in the matter of IPO of CARE Limited.*
2. *Edelweiss Financial Services Limited, along with other merchant bankers, have received a Show Cause Notice dated September 20, 2013 issued by SEBI in the matter of IPO of Electrosteel Steels Limited.*

TRUSTEE FOR THE BONDHOLDERS	REGISTRAR TO THE ISSUE
SBICAP Trustee Company Limited Apeejay House, 6th Floor, 3, Dinshaw Wachhaw Road, Churchgate, Mumbai – 400020 Tel: +91 22 4302 5555; Facsimile: +91 22 4302 5500 Email:corporate@sbicaptrustee.com;	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Telangana

Investor Grievance Email: investor.cell@sbicaptrustee.com Website: www.sbicaptrustee.com Contact Person/Compliance Officer: Mr. Ajit Joshi SEBI Registration No.: IND000000536 **SBICAP Trustee Company Limited has given its consent to the Issuer for its appointment under regulation 4(4) of SEBI Debt Regulations and its name to be added in all subsequent communications to be sent to the holders of Bonds.**	Toll Free No.1-800-3454001; Tel: +91 40 6716 2222; Facsimile: +91 40 2343 1551 Investor Grievance Email: recl.bonds@karvy.com Website: https://karisma.karvy.com Contact Person: Mr. Murali Krishna Compliance Officer: Mr. Rakesh Santhalia SEBI Registration Number: INR000000221

STATUTORY AUDITORS OF THE ISSUER

S. No.	Name	Address	Auditors of our Company Since
1	**M/s Raj Har Gopal & Co.,** Chartered Accountants, ICAI Firm Registration: 002074N	412, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi – 110001 Tel:+91 11 4152 0698/99 Email: rajhargopal1@hotmail.com Contact Person: Mr. Gopal Krishan	July 26, 2013
2	**M/s A R & Co.,** Chartered Accountants, ICAI Firm Registration: 002744C	A 403, Gayatri Apartments, Airlines Group Housing Society, Plot No.27, Sector 10, Dwarka, New Delhi - 110075 Tel: +91 120 6451160 Email: pawankgoel1@gmail.com Contact Person: Mr. Pawan K. Goel	July 1, 2015

Legal Advisors to the Issue

AZB & Partners
AZB House
Plot No. A8
Sector 4,
Noida – 201 301
Tel.: (+91 120) 417 9999
Facsimile**:** (+91 120) 417 9900

Escrow Collection Banks / Bankers to the Issue

Axis Bank Limited 148, Ground Floor, Statesman House, Barakhamba Road, New Delhi – 110 001 Tel.: + 91 9582800072, Mobile: +91 9582800072, 9891846758 Fax: + 077 23311054 E-mail: newdelhi.operationshead@axisbank.com, gaurav.tondon@axisbank.com, Website: www.axisbank.com Contact Person: Ms. Geetanjali Rawat /Mr.Gaurav Tondon	**HDFC Bank Limited** FIG-OPS Department, Lodha, I Think Techno Campus, O-3 Level , Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai – 400 042 Tel.: + 91 22 3075 2928 Fax: +91 22 2579 9801 E-mail: uday.dixit@hdfcbank.com, figdelhi@hdfcbank.com; Website: www.hdfc.com Contact Person: Mr.Uday Dixit
Punjab National Bank Limited Capital Market Services Branch, 5, Sansad Marg, New Delhi – 110001 Tel.: 011 – 23737533, 35 Fax.: 011 – 23737528 Email: bo4552@pnb.co.in	**IndusInd Bank Limited** Cash Management Services, PNA House, 4th floor, Plot No. 57 and 57/1, Near SRL, MIDC, Andheri (East), Mumbai – 400 093 Tel.: + 91 22 6106 9228

Contact Person: S.N Sahay Website: www.pnbindia.in	Fax: +91 11 4603 2682/ +91 22 2612 3583 E-mail: sanjay.vasarkar@indusind.com Website: www.indusind.com Contact Person: Mr. Sanjay Vasarkar
YES Bank Limited 3rd floor, Building No. 8, Tower A, DLF Cyber City, Gurgaon - 12202 Tel.: + 91 124 4619 119/205/ + 91 93110 98476 Fax: +91 124 4147193 E-mail: dlbtiservices@yesbank.in Website: www.yesbank.in Contact Person: Mr. Varun Kathuria/ Mr. Qumarey Khan	**IDBI Bank Limited** 4th floor, Indian Red Cross Building, 1 Red Cross Road, New Delhi – 110 001 Tel.: +91 11 66281122 Fax: +91 11 23752733 E-mail: am.ingle@idbi.co.in Website: www.idbibank.com Contact Person: Shri Ajit M. Ingle
State Bank of India, **Capital Markets Branch** Videocon Heritage Building, Charanjit Rai Marg, Off DN Road, Mumbai – 400 001 Tel.: +91 022 22094932 +91 022 22094927 Fax.:+91 022 22094921 Email: nib.11777@sbi.co.in Website: www.sbi.co.in Contact Person: Ms. Leena Kamat, Mr. R Subramaniam	

Refund Bank

YES Bank Limited
3rd floor, Building No. 8,
Tower A, DLF Cyber City,
Gurgaon - 12202
Tel.: + 91 124 4619 119/205/
+ 91 93110 98476
Fax: +91 124 4147193
E-mail: dlbtiservices@yesbank.in
Website: www.yesbank.in
Contact Person: Mr. Varun Kathuria/ Mr. Qumarey Khan

Self-Certified Syndicate Banks

The list of Designated Branches that have been notified by SEBI to act as SCSBs for the ASBA process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time. For more information on the Designated Branches collecting ASBA Applications, see the above mentioned web-link.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the stock exchange(s) only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the stock exchange(s) is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the stock exchange(s) only in the Specified Cities, see the above mentioned web-link.

Consortium Members for marketing of the Issue

In addition to the Lead Managers, following are also the Consortium Members for marketing of the Issue:

A.K. Stockmart Private Limited	Edelweiss Securities Limited	RR Equity Brokers Private Limited

Bankers to our Company

Axis Bank Limited 148, Statesman House, Barakhamba Road, New Delhi – 110 001 Tel.: + 91 11 47425120, Mobile: +91 9582800072, 9891846758 Fax: + 077 23311054 E-mail: newdelhi.operationshead@axisbank.com, gaurav.tondon@axisbank.com, Website: www.axisbank.com Contact Person: Ms. Geetanjali Rawat /Mr.Gaurav Tondon	**HDFC Bank Limited** FIG-OPS Department, Lodha, I Think Techno Campus, O-3 Level , Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai – 400 042 Tel.: + 91 22 3075 2928 Fax: +91 22 2579 9801 E-mail: uday.dixit@hdfcbank.com, figdelhi@hdfcbank.com; Website: www.hdfc.com Contact Person: Mr.Uday Dixit
ICICI Bank Limited ICICI Tower, NBCC Place, Bhisham Pitamah Marg, Pragati Vihar , New Delhi – 110 003 Tel.: + 91 11 42218360 Fax: +91 11 24369970 E-mail: sunil.rathi@icicibank.in Website: www.icicibank.in Contact Person: Mr.Sunil Rathi	**IndusInd Bank Limited** Cash Management Services, PNA House, 4th floor, Plot No. 57 and 57/1, Near SRL, MIDC, Andheri (East), Mumbai – 400 093 Tel.: + 91 22 6106 9228 Fax: +91 22 6106 9315 E-mail: sanjay.vasarkar@indusind.com Website: www.indusind.com Contact Person: Mr. Sanjay Vasarkar
YES Bank Limited 3rd floor, Building No. 8, Tower A, DLF Cyber City, Gurgaon - 12202 Tel.: + 91 124 4619 119/205/ + 91 93110 98476 Fax: +91 124 4147193 E-mail: dlbtiservices@yesbank.in Website: www.yesbank.in Contact Person: Mr. Varun Kathuria/ Mr. Qumarey Khan	**IDBI Bank Limited** 4th floor, Indian Red Cross Building, 1 Red Cross Road, New Delhi – 110 001 Tel.: +91 11 66281122 Fax: +91 11 23752733 E-mail: am.ingle@idbi.co.in Website: www.idbibank.com Contact Person: Shri Ajit M. Ingle
State Bank of India, **Capital Markets Branch** Videocon Heritage Building, Charanjit Rai Marg, Off DN Road, Mumbai – 400 001 Tel.: +91 022 22094932 +91 022 22094927 Fax.:+91 022 22094921 Email: nib.11777@sbi.co.in Website: www.sbi.co.in Contact Person: Ms. Leena Kamat, Mr. R Subramaniam	

Credit Rating Agencies

CRISIL LIMITED
CRISIL House, Central Avenue,
Hiranandani Business Park, Powai, Mumbai 400076

Tel: +91 22 33423000, Facsimile: +91 22 33423050
Email: crisilratingdesk@crisil.com
Website: www.crisil.com
Contact Person: Ms. Rupali Shanker
SEBI Registration No.: IN/CRA/001/1999

CREDIT ANALYSIS & RESEARCH LIMITED
13th Floor, E-1, Videocon Tower,
Jhandewalan Extension
New Delhi – 110 055
Tel: +91 11 45333220
Facsimile: +91 11 4533238
Email: gaurav.dixit@carerating.com
Website: www.careratings.com
Contact Person: Mr. Gaurav Dixit
SEBI Registration No.: IN/CRA/004/1999

INDIA RATINGS AND RESEARCH PRIVATE LIMITED
Wockhardt Towers, 4th Floor,
Bandra Kurla Complex, Bandra East,
Mumbai – 400051
Tel: +91 22 4000 1700
Fascimile: +91 22 4000 1701
Email: shrikant.dev@indiaratings.co.in
Investor Grievance E-mail Id: investor.services@indiaratings.co.in
Website: www.indiaratings.co.in
Contact Person: Mr. Shrikant Dev
SEBI Registration No.: IN/CRA/002/1999

ICRA LIMITED
Building No. 8, 2nd Floor, Tower A
DLF Cyber City, Phase II, Gurgaon—122002
Tel: +91124 4545300
Facsimile: +91 124 4050424
Email: vivek@icraindia.com
Investor Grievance E-mail Id: investors@icraindia.com
Website: www.icra.in
Contact Person: Mr. Vivek Mathur
SEBI Registration No.: IN/CRA/003/1999

Credit Rating and Rationale

India Ratings & Research Private Limited ("**IRRPL**") vide its letter dated September 16, 2015 has assigned a credit rating of "**IND AAA/Stable**" to the long term borrowing programme of our Company aggregating to ₹45,500 crore and vide its letter dated October 19, 2015 revalidated the credit rating.. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Credit Analysis & Research Limited ("**CARE**") vide its letter dated September 16, 2015, has assigned a credit rating of "**CARE AAA (Triple A)**" to the long term borrowing programme of our Company aggregating to ₹45, 500 crore and vide its letter no. CARE/DRO/RL/2015-16/1878 dated October 19, 2015 revalidated the credit rating. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

CRISIL Limited ("**CRISIL**") its letter dated September 15, 2015, has assigned a credit rating of **"CRISIL AA A/Stable"** to the long term borrowing programme of our Company aggregating to ₹45,500 crore and vide its letter no. PB/FSR/REC/2015-16/1109 dated October 19, 2015 dated revalidated the credit rating. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

ICRA Limited ("**ICRA**") its letter dated September 15, 2015, has assigned a credit rating of "[**ICRA] AAA**" to the long term borrowing programme of our Company aggregating to ₹45,500 crore and vide its letter no. D/RAT/2015-16/R7/8 dated October 19, 2015 revalidated the credit rating. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

For further details and for rationale for the above ratings, please refer to Appendix - II of the Shelf Prospectus.

Expert Opinion

Except for the letters dated October 19, 2015 and October 19, 2015 issued by CARE and IRRPL respectively, in respect of the credit rating for the Bonds, the Auditors' Reports on our Reformatted Standalone Financial Statements as on and for the 5 years ended March 31, 2011, 2012, 2013, 2014 and 2015 dated October 12, 2015 and Limited Review Report for the period ended June 30, 2015 dated August 7, 2015, Reformatted Consolidated Financials Statements as on and for the years ended March 31, 2011, 2012, 2013, 2014 and 2015 dated October 12, 2015, and Statement of Tax Benefits dated October 12, 2015 issued by M/s Raj Har Gopal & Co. and M/s A R & Co., our Company has not obtained any other expert opinion.

Minimum Subscription for each Tranche

In terms of the SEBI Circular no. CIR/IMD/DF/12/2014 dated June 17, 2014, minimum subscription limit is not applicable for issuers issuing tax free bonds, as specified by the CBDT. Further, under the SEBI Debt Regulations, our Company may stipulate a minimum subscription amount which it seeks to raise. Our Company has decided to set no minimum subscription for the Issue.

Underwriting

This Issue is not underwritten.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	**ISSUE CLOSES ON**
October 27, 2015	November 4, 2015

**The subscription list for the Issue shall remain open for subscription, from 10:00 A.M. to 5:00 P.M during the period indicated above, with an option for early closure or extension, as may be decided by the Board of Directors or the Bond Committee. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the Tranche Issue Closing Date, as the case may be, through advertisement/s in at least one leading national daily newspaper with wide circulation.*

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the stock exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Members of the Syndicate or the Trading Members of the stock exchange(s), as the case maybe, at the centres mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Members of the Syndicate or the Trading Members of the stock exchange, as the case may be, only at the Specified Cities. On the Issue Closing Date the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the stock exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and not later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event if a large number of Applications are received on the Issue Closing Date, there may be some Applications which may not uploaded due to lack of sufficient time for uploading. Any such Applications which are not uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Members of the Syndicate or Trading Members of the stock exchange(s) shall be liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:
"Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013"

Arrangers to the Issue

None.

OBJECTS OF THE TRANCHE I ISSUE

Issue Proceeds

In pursuance of CBDT Notification, our Company is authorised to raise a minimum of 70% of the allocated limit by way of various tranche(s) of public issue. Our Company has raised an amount aggregating to ₹ 300 crore, equivalent to 30% of the allocated limit, through private placement route. Our Company shall ensure that Bonds issued through public issue route and private placement route in the Fiscal 2016 shall together not exceed the allocated limit.

This Tranche I Issue by the Company is of Bonds for an amount of ₹ 300 crore with an option to retain oversubscription upto ₹ 400 crore, aggregating upto ₹ 700 crore.

The main objects clause of our Memorandum of Association permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Bond Issue.

In accordance with the SEBI Debt Regulations, our Company will not utilise the proceeds of the Issue for providing loans to or acquisition of shares of our Subsidiaries or Associate Companies. Further, our Company is a public sector enterprise and, as such, we do not have any identifiable 'group' companies or 'companies under the same management'.

The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any direct or indirect acquisition, including by way of a lease, of any immovable property.

Further, our Company undertakes that Issue proceeds from Bonds Allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations or in contravention of CBDT Notification No. 59/2015.

Our Company shall not utilize the funds for the purchase of any business or purchase of any interest in a company or business which allows it to hold in excess of 50 per cent of the share capital, losses or profits etc.

Utilization of Issue Proceeds

The utilisation of Issue Proceeds shall be in compliance with various guidelines/regulations/clarifications issued by RBI, SEBI or any other statutory authority from time to time. The funds raised through this Issue will only be utilised towards general lending operations of our Company and other associated business objectives subject to the restrictions contained in the Foreign Exchange Management (Borrowing and Lending in Rupee) Regulations, 2000 and other applicable statutory and / or regulatory requirements. Further, the amount to be utilised towards "General Corporate Purposes", shall not exceed 25% of the amount raised by our Company in the proposed issue.

Benefit/interest accruing to Promoters/Directors out of the Objects of the Issue

There is no benefit accruing to the Promoter or the Directors of our Company out of the Objects of the Issue nor are they interested in the Objects of the Issue.

Variation in terms of contract or objects

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which the Shelf Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

Summary of Project Appraisal Report

Not applicable

Schedule of Implementation of Project

Not applicable

Funding Plan

Not applicable

Interim use of Proceeds

The Board of Directors of our Company, in accordance with the policies formulated by them from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in accordance with the existing procedure, laid down by our Company.

Monitoring of Utilization of Funds

In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of the Issue. Our Board of Directors shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our financial statements for the fiscal commencing from April 01, 2015-16, the utilization of the proceeds of the Issue under a separate head along with any details in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. We shall utilise the proceeds of the Issue only upon the execution of the documents for creation of Security as stated in the Shelf Prospectus in the section titled **— *"Terms of the Issue"*** on page 64 of this Prospectus Tranche I and upon receipt of listing and trading approval of the Bonds.

We propose to issue Bonds to NRIs on non-repatriable basis only. Under Foreign Exchange Management (Borrowing and Lending in Rupees) Regulation, 2000 as amended from time to time. Monies received from NRIs, shall be used as per relevant regulations/guidelines/clarifications issued by RBI from time to time.

To ensure compliance with the afore-mentioned, our Company shall open and maintain separate escrow accounts and separate public issue accounts with the Escrow Collection Bank(s) in connection with all Application monies received from residents and non-residents including eligible NRIs on non-repatriation basis. All Application monies received from such resident and non-resident Applicants shall be deposited in the respective escrow accounts maintained with each Escrow Collection Bank. Upon creation of Security as disclosed in the Bond Trust cum Mortgage Deed, the Escrow Collection Bank(s) shall transfer the monies from the escrow accounts to the respective public issue accounts. Our Company shall ensure that any monies kept in Non Resident Escrow Account, and Non Resident Public Issue Account shall be utilized only in accordance with and subject to the restrictions contained in Foreign Exchange Management (Borrowing and Lending in Rupee) Regulation, 2000 and various rules, regulations or clarification issued from time to time.

Proposed Issue Expenses

A portion of the Issue proceeds will be used to meet Issue expenses. The details of estimated Issue expenses, including service tax, are as follows:

Particulars	Amount (₹ in crore)	Percentage of net proceeds (Issue proceeds less Issue expenses) of the Issue (in %)	Percentage of total expenses of the Issue (in %)
Fees payable to Intermediaries			
Registrar to the Issue	0.01	0.001	0.001
Legal Counsel	0.05	0.007	0.007
Advertising and marketing	0.05	0.007	0.007
Lead Managers Fees, Selling and Brokerage commission, SCSB proceeing fees	3.27	0.470	0.467
Stock Exchanges fee	0.03	0.005	0.005
Printing and stationery costs	0.19	0.027	0.027
Other Issue Expenses including Auditors, Trustee, Stamp Duty and Registration charges etc.	0.26	0.037	0.037
Total	3.86	0.555	0.552

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche(s) Issue and the number of Allottees, market conditions and other relevant factors.

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/Consortium Members/ Sub-Consortium Members/Brokers/ Sub-brokers/Trading Members and submitted to SCSBs for blocking the Application Amount of the Applicant, at the rate of ₹ 15 (excluding service tax, if any) per Application Form procured, as finalised by our Company. However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA processing fee.

As per the CBDT Notification, the total Issue expense will not exceed 0.65% percent of the Issue size**.**

For more information, see "***Issue Procedure - Utilisation of Issue Proceeds***" on pages 115 of this Prospectus Tranche I.

STATEMENT OF TAX BENEFITS

Under the current tax laws, the following possible tax benefits, inter alia, will be available to the Bondholder. This is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Bond, under the current tax laws presently in force in India. The benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Bondholder is advised to consider in his own case the tax implications in respect of subscription to the Bond after consulting his tax advisor as alternate views are possible. Interpretation of provisions where under the contents of this statement of tax benefit is formulated may be considered differently by income tax authority, government, tribunals or court. We are not liable to the Bondholder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. INCOME TAX

1. Interest from Bond do not form part of Total Income.

a) In exercise of power conferred by item (h) of sub clause (iv) of clause (15) of Section 10 of the Income Tax Act, 1961 (43 of 1961) the Central Government *vide* Notification NO. 59/2015. [F.No.178/ 27/2015-ITA-I] dated July 6, 2015 authorizes Rural Electrification Corporation Limited to issue through a Public/Private Issue, during the Financial year 2015-16, tax free, secured, redeemable, non-convertible bonds of ₹ 1,000 each for the aggregate amount not exceeding ₹1,000 crore subject to the conditions as prescribed in the said notification.

(i) It shall be mandatory for the subscribers of such bonds to furnish their permanent account number to the issuer

(ii) There shall be ceiling on the coupon rates based on the reference Government security (G-Sec) Rate:

(iii) The reference G-sec rate shall be the average of the base yield of G-sec for equivalent maturity reported by Fixed Income Money Market and Derivative Association of India(FIMMDA) on the daily basis (working day) prevailing for two weeks ending on the Friday immediately preceding the filing of the final prospectus with the Exchange or Registrar of Companies(ROC) in case of public issue and the issue opening date in case of private placements.

(iv) The ceiling coupon rate for AAA rated issuers shall be the reference G-sec rate less 55 basis points in case of Retail Individual Investor and reference G-sec less 80 basis points in case of other investor segments, like Qualified Institutional Buyers(QIB's), Corporates and High Net worth Individuals.

b) Section 10(15)(iv)(h) to be read with Section 14A(1) provides that in computing the total income of a previous year of any person, interest payable by any public sector company in respect of such bonds or debentures and subject to such conditions, including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may, by notification in the Official Gazette, specify in this behalf shall not be included;

Further, as per Section 14 A(1), no deduction shall be allowed in respect of expenditure incurred by the assesse in relation to said interest, being exempt.

Section 2(36A) of the IT Act defines "Public Sector Company" as any corporation established by or under any state Central, State, Provincial Act or a Government company as defined under section 2(45) of the Companies Act, 2013.

Accordingly, pursuant to the aforesaid notification, interest from bond will be exempt from income tax.

c) Since the interest Income on these bonds is exempt, no Tax Deduction at Source is required. However interest on application money would be liable for TDS as well as tax as per present tax laws.

2. **CAPITAL GAIN**

a) Under Section 2 (29A) of the I.T. Act, read with section 2 (42A) of the I.T. Act, a listed Bond is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Under Section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the bonds from the sale consideration.

However as per third proviso to Section 48 of Income tax act, 1961 benefits of indexation of cost of acquisition under second proviso of Section 48 of Income tax Act, 1961 is not available in case of bonds and debenture, except capital indexed bonds. Thus, long term capital gain tax can be considered at a rate of 10% on listed bonds without indexation.

Securities Transaction Tax ("STT") is a tax being levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the Issue.

In case of an individual or HUF, being a resident, where the total income as reduced by the long term capital gains is below the maximum amount not chargeable to tax i.e. ₹ 2,50,000 resident individual/HUF, ₹ 3,00,000 in case of resident senior citizens of 60 or more years of age (on any day of the previous year) and ₹500,000 in case of resident super senior citizens of 80 years or more of age (on any day of the previous year), the long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate of ten per cent in accordance with and the proviso to sub-section (1) of section 112 of the I.T. Act read with CBDT Circular 721 dated September 13, 1995.

A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge if any) is payable by all categories of tax payers.

b) Short-term capital gains on the transfer of listed bonds, where bonds are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provision of the I.T. Act.

The provisions related to minimum amount not chargeable to tax, surcharge and education cess described at para(a) above would also apply to such short-term capital gains.

c) Under Section 54 EC of the I.T. Act and subject to the conditions and to the extent specified therein, long term capital gains arising to the bondholders on transfer of their bonds in our Company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer during the financial year in which bonds are transferred and in the subsequent financial year does not exceed ₹ 0.50 crore. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

d) As per the provisions of Section 54F of the Income Tax Act, 1961 and subject to conditions specified therein, any long-term capital gains (not being residential house) arising to Bondholder who is an individual or Hindu Undivided Family, are exempt from capital gains tax if the entire net sales considerations is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

Provided that the said Bondholder should not own more than one residential house other than the new asset, on the date of such transfer or purchase any residential house, other than the new asset, within a period of one year after the date of such transfer of construct any residential house, other than the new asset, within a period of three years after the date of such transfer on which the income is chargeable under " Income from House Property ". If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Bondholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

e) Under Section 195 of Income Tax Act, Income Tax shall be deducted from sum payable to Non-Residents on long term capital gain and short term capital gain arising on sale and purchase of bonds at the rate specified in the Finance Act of the relevant year or the rate or rates of the income tax specified in an agreement entered into by the Central Government under section 90, or an agreement notified by the Central Government under section 90A, as the case may be.

3. Bonds held as Stock in Trade

In case the Bonds are held as stock in trade, the income on transfer of bonds would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

4. Taxation on gift

As per section 56(2)(vii) (c) of the I.T. Act, in case where individual or Hindu undivided Family receives bond from any person on or after October 1, 2009:

A. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such bonds/debentures or;

B. for a consideration which is less than the aggregate fair market value of the Bond by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such property as exceeds such consideration; shall be taxable as the income of the recipient.

Provided further that this clause shall not apply to any sum of money or any property received-

a) from any relative; or

b) on the occasion of the marriage of the individual; or

c) under a will or by way of inheritance; or

d) in contemplation of death of the payer or donor, as the case may be; or

e) from any local authority as defined in the Explanation to clause (20) of section 10; or

f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10; or

g) from any trust or institution registered under section 12AA.

M/s Raj Har Gopal & Co.,	**M/s A R & Co.,**
Chartered Accountants,	**Chartered Accountants,**
ICAI Firm Registration: 002074N	**ICAI Firm Registration: 002744C**
(Gopal Krishan)	**(Pawan K Goel)**
Partner	**Partner**
M. No. 081085	**M. No. 072209**

Place: New Delhi
Date: October 12, 2015

OTHER REGULATORY AND STATUTORY DISCLOSURES

The Board of Directors, at their meeting held on August 7, 2015 have approved the Issue of Tax Free Secured Redeemable Non-Convertible Bonds of face value of ₹ 1000 each in the nature of Debentures, having benefits under Section 10(15)(iv)(h) of the Income Tax Act, for an amount aggregating upto ₹ 700 crore in one or more Tranches in Fiscal 2016, subject to the provisions of the CBDT Notification.

This Prospectus Tranche – I by the Issuer is of Bonds for an amount of ₹ 300 crores with an option to retain oversubscription upto ₹ 400 crores, aggregating upto ₹ 700 crores. This Tranche is being offered by way of this Prospectus Tranche -1, which contains, *inter alia*, the terms and conditions of the Tranche I Issue, which should be read together with the Shelf Prospectus filed with the RoC, Stock Exchanges and SEBI.

In pursuance of CBDT Notification, our Company was authorised to raise Bonds aggregating upto ₹ 1000 crore in one or more tranche(s) in Fiscal 2016 minimum 70% of which shall be raised by way of public issue. Our Company has raised an amount aggregating to ₹ 300 crore, i.e. 30% of the allocated limit through private placement route. Our Company shall ensure that Bonds issued through public issue route and private placement route in the Fiscal 2016 shall together not exceed the allocated limit.

The Issue amount together with all outstanding borrowings of our Company does not exceed the borrowing power of our Company as per shareholders resolution dated June 10, 2014.

Eligibility to make the Issue

Our Company, the persons in control of our Company or its promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

No inquiry, inspections or investigations have been initiated or conducted under the Companies Act or any previous legislations against our Company and all of its subsidiaries in the last five years immediately preceding date of Shelf Prospectus.

Consents

Consents in writing of the Directors, the Compliance Officer, Director (Finance), the Statutory Auditors, Bankers to our Company, Lead Managers, Members of the Consortium, Registrar to the Issue, Legal Counsel to the Issue, Credit Rating Agencies and the Trustee for the Bondholders, to act in their respective capacities, have been obtained and shall be filed along with a copy of Shelf Prospectus and Prospectus Tranche I with the RoC.

Our Company has appointed SBICAP TRUSTEE Company Limited as Trustee under regulation 4(4) of the SEBI Debt Regulations. The Trustee has given its consent *vide* letter no. 2227/SBICTCL/DT/2015-16 dated October 5, 2015 to include its name in the Shelf Prospectus, Prospectus Tranche I and also in all the subsequent periodical communications sent to the holders of the Bonds**.**

Axis Bank Limited, HDFC Bank Limited, IDBI Bank (letter No. IDBI/CMS/REC/111/2015-16), IndusInd Bank Limited, Punjab National Bank Limited, State Bank of India, Capital Markets Branch and Yes Bank Limited vide their letters dated October 17, 2015, October 17, 2015, October 19, 2015, October 17, 2015, October 17, 2015, October 17, 2015 and October 19, 2015 respectively, have provided their consent to be named as the Banker to the Issue. Further, Yes Bank vide letter dated October 19, 2015 have provided their consent to be named as the Refund Banker to the Issue.

Expert Opinion

Except the letters dated October 19, 2015 and October 19, 2015 issued by CARE and IRRPL respectively, in respect of the credit rating for the Bonds, the Auditors' Reports on our Reformatted Standalone Financial Statements for the 5 years ended March 31, 2011, 2012, 2013, 2014 and 2015 dated October 12, 2015 and Reformatted Consolidated Financial Statements as on and for the years ended March 31, 2011, 2012, 2013, 2014 and 2015 dated October 12, 2015, Limited Review Report for the period ended June 30, 2015 dated August 7, 2015 and Statement of Tax Benefits dated October 12, 2015 issued by M/s Raj Har Gopal & Co. and M/s A.R & Co, our Company has not obtained any other expert opinion.

Common Form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the Bonds held in physical form and relevant provisions of the Companies Act and other applicable laws shall be duly complied with in respect of all transfer of Bonds and registration thereof. Bonds held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depositary Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

Minimum Subscription

In terms of SEBI Circular no. CIR/IMD/DF/12/2014 dated June 17, 2014, our Company is exempted from the requirement of receiving minimum subscription in the proposed Issue.

No Reservation or Discount

Pursuant to the CBDT Notification, at least 70% of the bonds issued for raising funds through tax free bonds during fiscal 2016 shall be raised through public issue, of which 40% shall be earmarked for Retail Individual Investors. There is no discount being offered in the Issue, to any category of Applicants.

Debenture Redemption Reserve

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of our Company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the amount raised through public issue of debentures in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI and no DRR is required in the case of privately placed debentures. Accordingly our Company is required to create a DRR of 25% of the value of the Bonds issued through the Issue. In addition, as per Rule 18 (7) (e) of the Companies (Share Capital and Debentures) Rules, 2014, the amounts credited to DRR shall not be utilized by our Company except for the redemption of the NCDs. Every company required to create or maintain DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. This may have a bearing on the timely redemption of the Bonds by our Company.

Change in auditors of Our Company during the last three years

S.No	Financial Year	Name	Address	Date of Appointment/ Resignation	Remark (If any)
1.	2012-13	M/s Bansal & Co., Chartered Accountants, having Firm Registration No: 001113N M/s P.K. Chopra & Co., Chartered Accountants, having Firm Registration No. 006747N	A-6, Maharani Bagh, New Delhi-110065 N-Block, Bombay Life Building 2nd Floor, Above Post Office Connaught Place, New Delhi-110001	Appointed on July 26, 2012.	M/s P.K. Chopra & Co., Chartered Accountants was appointed by CAG.
2.	2013-14	M/s Raj Har Gopal & Co., Chartered	12, Ansal Bhawan, 16, Kasturba Gandhi	Appointed on July 26, 2013.	M/s Raj Har Gopal& Co.,

S.No	Financial Year	Name	Address	Date of Appointment/ Resignation	Remark (If any)
		Accountants, having Firm Registration No.002074N M/s P.K. Chopra &Co., Chartered Accountants, having Firm Registration No.006747N	Marg, New Delhi – 110001. N-Block, Bombay Life Building, 2nd Floor, Above Post Office Connaught Place,New Delhi-110001		Chartered Accountants was appointed by CAG.
3.	2015-2016	M/s Raj Har Gopal & Co., Chartered Accountants, having Firm Registration No. 002074N M/s A R & Co., Chartered Accountants, ICAI Firm Registration No.: 002744C	412, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi – 110001. A 403, Gayatri Apartments, Airlines Group Housing Society, Plot No.27, Sector 10, Dwarka, New Delhi - 110075	Appointed on July 1, 2015.	M/s A R & Co., Chartered Accountants was appointed by CAG.

Previous Public Issues by our Company during last 5 years

Our Company had made public issue of tax free secured redeemable non-convertible bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under section 10(15) (iv)(h) of the Income Tax Act, 1961, as amended through a prospectus tranche – 1 dated August 26, 2013 and prospectus tranche – 2 dated February 24, 2014. The opening date of the issue under prospectus tranche – 1 was August 30, 2013 and the closing date was September 23, 2013 and opening date of the issue under prospectus tranche – 2 was February 28, 2014 and the closing date was March 14, 2014. The tax free bonds under the tranche – 1 issue were allotted on September 24, 2013 and tranche – 2 were allotted on March 24, 2014. Under the above mentioned public issues, the total amount allotted was ₹ 4500.00 crore.

Our Company had made public issue of tax free secured redeemable non-convertible bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under section 10(15) (iv)(h) of the Income Tax Act, 1961, as amended through a prospectus tranche – 1 dated November 26, 2012 and prospectus tranche – 2 dated February 13, 2013. The opening date of the issue under prospectus tranche – 1 was December 03, 2012 and the closing date was December 10, 2012 and opening date of the issue under prospectus tranche – 2 was February 25, 2013 and the closing date was March 18, 2013. The tax free bonds under the tranche – 1 issue were allotted on December 19, 2012 and tranche – 2 were allotted on March 25, 2013. Under the above mentioned public issues, the total amount allotted was ₹ 2148.41 crore.

Our Company had made public issue of tax free secured redeemable non-convertible bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under section 10 (15) (iv) (h) of the Income Tax Act, 1961, as amended for an amount of ₹ 1,500 crore with an option to retain over subscription upto an aggregate amount of ₹ 3,000 crore through a prospectus dated March 2, 2012. The opening date of the issue was March 6, 2012 and the closing date was March 12, 2012. The tax free bonds under the issue were allotted on March 27, 2012. Under the above mentioned public issues, the total amount allotted was ₹ 3,000 crore.

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Utilisation of Proceeds

The utilisation of Issue Proceeds shall be in compliance with various guidelines/regulations/clarifications issued by RBI, SEBI or any other statutory authority from time to time. The funds raised through this Issue will be utilised towards general lending operations of our Company, subject to the restrictions contained in the Foreign Exchange Management (Borrowing and Lending in Rupee) Regulations, 2000 and other applicable statutory and / or regulatory requirements. For more information pertaining to utilisation of proceeds, see the section titled — "***Objects of the Tranche I Issue***" on page 26 of the Shelf Prospectus.

Details regarding lending out of issue proceeds of previous public issues of our Company

A. Lending Policy:

Our Company has formulated various lending policies in order to streamline the funding process. For details, please refer to the section titled ***"Our Business"*** on page 96 of the Shelf Prospectus.

B. Classification of loans/advances given to associates, entities/person relating to Board, Senior Management, Promoters, Others, etc.;

Our Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of previous issues.

C. Details of Utilisation of Previous issues:

I. Public issue of tax free secured redeemable non-convertible bonds for an amount of ₹ 1,500.00 crore with an option to retain over subscription upto an aggregate amount of ₹ 3,000.00 crore. The total amount allotted was ₹ 3,000.00 crore:

The tax free bonds under the issue were allotted on March 27, 2012. Dispatch of refunds pursuant to the issue of bonds was made on and March 29, 2012 and trading at BSE commenced on April 4, 2012. Under the above mentioned public issues, the total amount allotted was ₹ 3,000.00 crore.

S. No.	Series Name	Date of Allotment	Amount raised (in ₹ crore)
1.	Tranche – 1	March 29, 2012	3,000.00

The lending done by our Company, in descending order, out of the issue proceeds to all borrowers are provided below:

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
1.	Maharashtra State Electricity Distribution Company Limited	Maharashtra State Electricity Distribution Company Limited Prakashgad, Plot No. G-9, Bandra, Mumbai-400 051.	Maharashtra	Power	251.97	10 to 15 years
2.	Maharashtra State Power Generation Company Limited	Hongkong Bank Building, M.G.Road, Fort, Mumbai-400 001.	Maharashtra	Power	215.64	15 to 20 years
3.	Andhra Pradesh Central Power Distribution Company Limited	6-1-50, Corporate Office, Mint Compound, Hyderabad-500 063.	Andhra Pradesh	Power	200.00	Up to 1 year
4.	Eastern Power Distribution Company of Andhra Pradesh Limited	P&T Colony, Seethammadhara, Visakhapatnam.	Andhra Pradesh	Power	200.00	Up to 1year
5.	UP Power Transmission Corporation Limited	Shakti Bhawan, 14-Ashok Marg, Lucknow-226 001.	Uttar Pradesh	Power	164.36	10 to 15 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
6.	West Bengal State Electricity Distribution Company Limited	West Bengal State Electricity Distribution Company Limited, Bidyut Bhawan, Bidhan Nagar, Kolkata-700 091.	West Bengal	Power	150.00	Up to 1 year
7.	Andhra Pradesh Central Power Distribution Company Limited	6-1-50, Corporate Office, Mint Compound, Hyderabad-500 063.	Andhra Pradesh	Power	131.86	10 to 15 years
8.	West Bengal State Electricity Distribution Company Limited	West Bengal State Electricity Distribution Company Limited Bidyut Bhawan, Bidhan Nagar, Kolkata-700 091.	West Bengal	Power	111.88	10 to 15 years
9.	Tamil Nadu Generation And Distribution Corporation Limited	NPKRR Maaligai, 144,Anna Salai, Chennai - 600 002.	Tamil Nadu	Power	111.68	15 to 20 years
10.	Punjab State Transmission Corporation Limited	PSEB, Head Office, The Mall, Patiala, -147 001.	Punjab	Power	98.50	15 to 20 years
11.	Rajasthan Rajya Vidyut Prasaran Nigam Limited	Vidyut Bhawan, Janpath, Jaipur - 302 005.	Rajasthan	Power	100.00	up to 1year
12.	UP Rajya Vidyut Utpadan Nigam Limited	Shakti Bhawan, 14-Ashok Marg, Lucknow-226 001.	Uttar Pradesh	Power	98.19	15 to 20 years
13.	Rajasthan Rajya Vidyut Utpadan Nigam Limited	Rajasthan Rajya Vidyut Utpadan Nigam Limited Vidyut Bhawan, Jyoti Nagar, Janpath, Jaipur -302 005.	Rajasthan	Power	82.64	15 to 20 years
14.	Teesta Urja Stage 3 Hydro Electric Project Limited	Teesta Urja Limted, Near Power Colony Mangan, North Sikkim District.	Sikkim	Power	74.56	15 to 20 years
15.	Northern Power Distribution Company of A.P. Limited	H.No.1-1-503, Opp. NIT Petrol Pump, Chaitanya Puri, Hanamkunda Warangal-506 004.	Telangana	Power	97.52	Up to 1 year
16.	Tamil Nadu Generation and Distribution Corporation Limited	NPKRR Maaligai, 144,Anna Salai, Chennai - 600 002.	Tamil Nadu	Power	70.08	10 to 15 years
17.	Punjab State Power Corporation Limited	PSEB, Head Office, The Mall, Patiala, Punjab-147 001.	Punjab	Power	53.92	10 to 15 years
18.	Lanco Anpara Power Private Limited	Plot no. 397, Udyog Vihar, Phase-3, Gurgaon, 122 016 National Capital Region.	Delhi	Power	61.72	15 to 20 years
19.	Jodhpur Vidyut Vitaran Nigam Limited	Jodhpur Vidyut Vitaran Nigam Limited New Power House, Industrial Area Jodhpur-342 003.	Rajasthan	Power	59.02	10 to 15 years
20.	Lanco Amarkantak	Plot no. 397, Udyog Vihar, Phase-3, Gurgaon, 122 016	Delhi	Power	55.18	15 to 20

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
	Power Limited	New Delhi Region.				years
21.	Andhra Pradesh Power Generation Corporation Limited	Vidyut Sudha, Khairatabad, Hyderabad-500 082.	Andhra Pradesh	Power	54.65	15 to 20 years
22.	Bharatiya Rail Bijlee Company Limited	Bhartiya Rail Bijlee Company Limited, Nabinagar H-Type office (C&M Hall) PO-Pirouta, P.S.-Khaira Distt-Aurangabad, Bihar-824 303.	Bihar	Power	50.00	15 to 20 years
23.	NTPC Tamil Nadu Energy Company Limited	Vallur Thermal Power Project,Vellivoyal Chavadi, Ponneri Taluk,Tiruvallur, Chennai, Tamil Nadu 600 103.	Tamil Nadu	Power	40.00	15 to 20 years
24.	Maharashtra State Electricity Transmission Company Limited	HSBC Bank Building, M.G.Road, Fort, Mumbai-400 001.	Maharashtra	Power	48.56	10 to 15 years
25.	Rajasthan Rajya Vidyut Prasaran Nigam Limited	Vidyut Bhawan, Janpath, Jaipur - 302 005.	Rajasthan	Power	44.56	10 to 15 years
26.	Indiabulls Power Limited	Indiabulls House, 448-451, Udyog Vihar, Phase- V, Gurgaon-122 016, Haryana.	Haryana	Power	40.23	10 to 15 years
27.	Transmission Corporation of Andhra Pradesh Limited	Vidyut Soudha, Khairatabad, Hyderabad-500 082.	Andhra Pradesh	Power	34.37	10 to 15 years
28.	Ajmer Vidyut Vitran Nigam Limited	Vidyut Bhawan, Panchsheel Nagar, Makarwali Road, Ajmer– 305 004.	Rajasthan	Power	30.00	Up to 1 year
29.	Lanco Energy Private Limited	Plot no. 397, Udyog Vihar, Phase-3, Gurgaon, 122 016 New Delhi Region.	Delhi	Power	26.70	15 to 20 years
30.	Andhra Pradesh Southern Power Distribution Company Limited	D.No:19-13-65/A Srinivasapuram Tiruchanoor Road Tirupati – 517 503 Chittoor District.	Andhra Pradesh	Power	24.26	10 to 15 years
31.	Himachal Pradesh State Electricity Board Limited	Vidyut Bhawan Kumar House, Shimla -171 004.	Himachal Pradesh	Power	22.51	10 to 15 years
32.	Tamil Nadu Transmission Corporation Limited	144,Anna Salai, Chennai - 600 002.	Tamil Nadu	Power	17.61	10 to 15 years
33.	Northern Power Distribution Company of A.P. Limited	Northern Power Distribution Company Limited H.No.1-1-503, Opp. NIT Petrol Pump, Chaitanya Puri, Hanamkunda Warangal-506	Telangana	Power	15.42	10 to 15 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
		004.				
34.	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited	Nishtha Parisar, Govindpura, Bhopal 462 023.	Madhya Pradesh	Power	15.24	10 to 15 years
35.	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	MP Poorv Kshetra Vidyut Vitran Company Limited Shakti Bhawan, Jabalpur-482 008.	Madhya Pradesh	Power	13.59	10 to 15 years
36.	Haryana Vidyut Prasaran Nigam Limited	Shakti Bhawan, Sector 6, Panchkula - 124 505.	Haryana	Power	13.21	10 to 15 years
37.	Dakshin Haryana Bijli Vitran Nigam	Dakshin Haryana Bijli Vitran Nigam Vidyut Sadan, Vidyut Nagar, Hisar -125 005.	Haryana	Power	12.31	10 to 15 years
38.	Punjab State Power Corporation Limited	PSEB, Head Office, The Mall, Patiala, Punjab-147 001.	Punjab	Power	22.45	5 to 10 years
39.	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	MP Paschim Kshetra Vidyut Vitran Company Limited Gph Campus Polo Ground, Indore-452 015.	Madhya Pradesh	Power	9.77	10 to 15 years
40.	Amrit Jal Ventures Private Limited	1-7-293 M G Road, Secunderabad, Telangana, India-500 003.	Telangana	Power	8.22	10 to 15 years
41.	Meenakshi Energy Private Limited	119, Road no.10, Jubilee Hills, Hyderabad-500 033, India.	Telangana	Power	8.13	15 to 20 years
42.	Uttar Haryana Bijli Vitran Nigam Limited	Uttar Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, Plot No. C-16, Sector-6,Panchkula - 124 505.	Haryana	Power	7.73	10 to 15 years
43.	Jaipur Vidyut Vitaran Nigam Limited	Vidyut Bhawan, Janpath, Jaipur – 302 005.	Rajasthan	Power	6.39	10 to 15 years
44.	RKM Powergen Private Limited	14/45 Dr.Giriappa Road, T.Nagar, Chennai – 600 017.	Tamil Nadu	Power	6.12	15 to 20 years
45.	Dakshin Haryana Bijli Vitran Nigam Limited	Dakshin Haryana Bijli Vitran Nigam Vidyut Sadan, Vidyut Nagar, Hisar -125 005.	Haryana	Power	5.95	15 to 20 years
46.	The Government of Jammu and Kashmir: Power Development Department	Grid Sub Station Complex, Janipur, Jammu, Jammu and Kashmir	Jammu and Kashmir	Power	4.34	10 to 15 years
47.	Punjab State Transmission Corporation Limited	PSEB, Head Office, The Mall, Patiala, -147 001.	Punjab	Power	3.78	10 to 15 years
48.	Uttar Haryana Bijli Vitran Nigam	Uttar Haryana Bijli Vitran Nigam Limited, Vidyut	Haryana	Power	3.71	5 to 10 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
	Limited	Sadan, Plot No. C-16, Sector-6,Panchkula - 124 505.				
49.	Jodhpur Vidyut Vitaran Nigam Limited	Jodhpur Vidyut Vitaran Nigam Limited New Power House, Industrial Area Jodhpur-342 003.	Rajasthan	Power	3.39	15 to 20 years
50.	Haryana Vidyut Prasaran Nigam Limited	Shakti Bhawan, Sector 6, Panchkula - 124 505	Haryana	Power	2.89	15 to 20 years
51.	The West Bengal Power Development Corporation Limited	The West Bengal Power Development Corporation Limited, Bidyut Unnayan Bhaban, Block– LA, Plot No. 3/C, Sector–III, Salt Lake City, Kolkata – 700 098.	West Bengal	Power	2.74	15 to 20 years
52.	Bhavnagar Biomass Power Projects Private Limited	25-35/10/2, Mallikarjuna Nagar, Mumbai Highway, R. C. Puram, Hyderabad – 382 017.	Telangana	Power	2.65	10 to 15 years
53.	Government of Uttaranchal-RGGVY.	Uttranchal Power Corporation Limited Urja Bhawan, Kanwali Road, Dehradun.	Uttarakhand	Power	1.85	15 to 20 years
54.	Government of Madhya Pradesh Pashchim-Kshetra-RGGVY.	MP Paschim Kshetra Vidyut Vitran Company Limited GPH Campus Polo Ground, Indore-452 015.	Madhya Pradesh	Power	1.77	15 to 20 years
55.	Government of Kerala-RGGVY.	Kerala State Electricity Board Limited, Vydyuthi Bhavanam, Pattom, Thiruvananthapuram, PIN – 695 004, Kerala.	Kerala	Power	1.27	15 to 20 years
56.	Northern Power Distribution Company of A.P. Limited	H.No.1-1-503, Opp. NIT Petrol Pump, Chaitanya Puri, Hanamkunda Warangal-506 004.	Telangana	Power	1.16	10 to 15 years
57.	Government of Jharkhand-RGGVY.	Jharkhand Bijli Vitran Nigam Limited Engineer's Building Dhurwa, Ranchi.	Jharkhand	Power	1.07	15 to 20 years
58.	Himachal Pradesh State Electricity Board Limited	Vidyut Bhawan Kumar House, Shimla -171 004.	Himachal Pradesh	Power	1.03	5 to 10 years
59.	Jodhpur Vidyut Vitaran Nigam Limited	New Power House, Industrial Area Jodhpur-342 003.	Rajasthan	Power	0.55	5 to 10 years
60.	Government of Tripura-RGGVY.	Tripura State Electricity Corporation Limited Bidyut Bhaban, Banamalipur, Agartala, Tripura.	Tripura	Power	0.41	15 to 20 years
61.	J.K. Power Development	J.K. Power Development Corporation Limited, Head	Jammu and Kashmir	Power	0.30	15 to 20 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
	Corporation Limited	office : Exhibition Ground, Srinagar, Camp Office: Ashok Nagar Satwari, Jammu.				
62.	Madhyanchal Vidyut Vitran Nigam Limited	Madhyanchal Vidyut Vitran Nigam Limited, Head Office 4-A, Gokhale Marg, Lucknow:- 226 001.	Uttar Pradesh	Power	0.28	15 to 20 years
63.	Government of Maharashtra-RGGVY.	Maharashtra State Electricity Distribution Company Limited Prakashgad, Plot No. G-9, Bandra, Mumbai-400 051.	Maharashtra	Power	0.11	15 to 20 years
	Total				**3,000.00**	

II. Public issue of tax free secured redeemable non-convertible bonds upto an aggregate amount of ₹ 4,500 crore. The total amount allotted was ₹ 2148.41 crore:

The dispatch of refunds pursuant to the issue of bonds under Tranche – 1 and Tranche – 2 was made on December 21, 2012 and March 26, 2013 respectively. The trading at NSE and BSE for tranche -1 issue commenced on December 24, 2012 and trading at NSE and BSE for tranche -2 issue commenced on April 2, 2013.

S. No.	Series Name	Date of Allotment	Amount raised (in ₹ crore)
1.	Tranche – 1	December 21, 2012	2,017.35
2.	Tranche – 2	March 26, 2013	131.06
	Total		**2,148.41**

The lending done by our Company, in descending order, out of the issue proceeds of Tranche-1 to all borrowers are provided below:

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (Rs. In Crore)	Maturity Profile
1.	Tamil Nadu Generation And Distribution Corporation Limited	NPKRR Maaligai, 144,Anna Salai, Chennai - 600 002.	Tamil Nadu	Power	515.27	10 to 15 years
2.	Tamil Nadu Generation And Distribution Corporation Limited	NPKRR Maaligai, 144,Anna Salai, Chennai - 600 002.	Tamil Nadu	Power	196.68	10 to 15 years
3.	Maharashtra State Power Generation Company Limited	Maharashtra State Power Generation Company Limited Hongkong Bank Building, M.G.Road, Fort, Mumbai-400 001.	Maharashtra	Power	174.01	15 to 20 years
4.	Rajasthan Rajya Vidyut Prasaran Nigam Limited	Vidyut Bhawan, Janpath, Jaipur - 302 005.	Rajasthan	Power	110.38	15 to 20 years
5.	NTPC Tamil Nadu Energy Company Limited	Vallur Thermal Power Project,Vellivoyal Chavadi, Ponneri Taluk,Tiruvallur, Chennai 600 103.	Tamil Nadu	Power	98.00	15 to 20 years
6.	UP Power	Shakti Bhawan, 14-Ashok	Uttar Pradesh	Power	77.80	10 to 15

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (Rs. In Crore)	Maturity Profile
	Transmission Corporation Limited	Marg, Lucknow-226 001.				years
7.	Punjab State Transmission Corporation Limited	PSEB, Head Office, The Mall, Patiala -147 001.	Punjab	Power	74.67	15 to 20 years
8.	Transmission Corporation of Andhra Pradesh Limited	Transmission Corporation of Andhra Pradesh Limited, Vidyut Soudha, Khairatabad, Hyderabad-500 082.	Telangana	Power	67.02	10 to 15 years
9.	Maharashtra State Electricity Distribution Company Limited	Maharashtra State Electricity Distribution Company Limited Prakashgad, Plot No. G-9, Bandra, Mumbai-400 051.	Maharashtra	Power	65.93	10 to 15 years
10.	Indiabulls Realtech Limited	Indiabulls House, 448-451, Udyog Vihar, Phase- V, Gurgaon-122 016.	Haryana	Power	63.58	15 to 20 years
11.	Maharashtra State Electricity Transmission Company Limited	Maharashtra State Electricity Transmission Co. Limited HSBC Bank Building, M.G.Road, Fort, Mumbai-400 001.	Maharashtra	Power	54.52	10 to 15 years
12.	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited	Nishtha Parisar, Govindpura, Bhopal 462 023.	Madhya Pradesh	Power	53.34	10 to 15 years
13.	Bharatiya Rail Bijlee Company Limited	Bhartiya Rail Bijlee Company Limited, Nabinagar H-Type Office (C&M Hall) Po-Pirouta, P.S.-Khaira Distt-Aurangabad -824 303.	Bihar	Power	50.00	15 to 20 years
14.	Parbati Koldam Tranmission Company Limited	12Th Floor, DLF Building No.10, Tower B, DLF Cyber City Phase II, Gurgaon.	Haryana	Power	43.73	15 to 20 years
15.	Lanco Amarkantak Power Limited	Plot No. 397, Udyog Vihar, Phase-3, Gurgaon, 122 016.	Delhi	Power	39.25	15 to 20 years
16.	Haryana Vidyut Prasaran Nigam Limited	Shakti Bhawan, Sector 6, Panchkula - 124 505.	Haryana	Power	28.41	15 to 20 years
17.	Gulbarga Electricity Supply Company Limited	Gulbarga Main Road,Gulbarga,Karnataka-585 102.	Karnataka	Power	27.96	10 to 15 years
18.	Andhra Pradesh Central Power Distribution Company Limited	6-1-50, Corporate Office, Mint Compound, Hyderabad-500 063.	Telangana	Power	26.54	10 to 15 years
19.	Dakshin Haryana Bijli Vitran Nigam Limited	Dakshin Haryana Bijli Vitran Nigam Vidyut Sadan, Vidyut Nagar, Hisar -125 005.	Haryana	Power	26.52	10 to 15 years
20.	Rajasthan Rajya Vidyut Prasaran Nigam Limited	Vidyut Bhawan, Janpath, Jaipur - 302 005.	Rajasthan	Power	25.75	10 to 15 years
21.	Dakshin Haryana Bijli Vitran Nigam Limited	Dakshin Haryana Bijli Vitran Nigam Vidyut Sadan, Vidyut Nagar, Hisar -125	Haryana	Power	25.11	5 to 10 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (Rs. In Crore)	Maturity Profile
		005.				
22.	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	MP Poorv Kshetra Vidyut Vitran Company Limited Shakti Bhawan, Jabalpur-482 008.	Madhya Pradesh	Power	17.56	10 to 15 years
23.	Uttar Haryana Bijli Vitran Nigam Limited	Uttar Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, Plot No. C-16, Sector-6,Panchkula - 124 505.	Haryana	Power	15.53	5 to 10 years
24.	Andhra Pradesh Central Power Distribution Company Limited	6-1-50, Corporate Office, Mint Compound, Hyderabad-500 063.	Andhra Pradesh	Power	13.47	5 to 10 years
25.	Indiabulls Power Limited	Indiabulls House, 448-451, Udyog Vihar, Phase- V, Gurgaon-122 016.	Haryana	Power	11.41	10 to 15 years
26.	RKM Powergen Private Limited	14/45 Dr.Giriappa Road, T.Nagar, Chennai – 600 017.	Tamil Nadu	Power	11.25	15 to 20 years
27.	Punjab State Power Corporation Limited	PSEB, Head Office, The Mall, Patiala -147 001.	Punjab	Power	10.96	10 to 15 years
28.	Power Transmission Corporation of Uttarakhand Limited	Ballupur Chowk, Chakrata Rd, Dehradun 248 001.	Uttarakhand	Power	10.55	10 to 15 years
29.	West Bengal State Electricity Distribution Company Limited	West Bengal State Electricity Distribution Company Limited Bidyut Bhawan, Bidhan Nagar, Kolkata-700 091.	West Bengal	Power	10.07	10 to 15 years
30.	Nagaland.	Department of Power, Kohima, Nagaland	Nagaland	Power	9.96	10 to 15 years
31.	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	MP Paschim Kshetra Vidyut Vitran Company Limited Gph Campus Polo Ground, Indore-452 015.	Madhya Pradesh	Power	9.89	10 to 15 years
32.	Himachal Pradesh State Electricity Board Limited	Vidyut Bhawan Kumar House, Shimla - 171 004.	Himachal Pradesh	Power	9.65	10 to 15 years
33.	Adani Power Maharashtra Limited	Achalraj, Opp. Mayor Bunglow, Law Garden, Ahmedabad.	Gujarat	Power	9.05	5 to 10 years
34.	Rajasthan Rajya Vidyut Utpadan Nigam Limited	Rajasthan Rajya Vidyut Utpadan Nigam Limited Vidyut Bhawan, Jyoti Nagar, Janpath, Jaipur -302 005.	Rajasthan	Power	8.57	15 to 20 years
35.	Northern Power Distribution Company of AP Limited	H.No.1-1-503, Opp. Nit Petrol Pump, Chaitanya Puri, Hanamkunda Warangal-506 004.	Telangana	Power	7.23	10 to 15 years
36.	Punjab State Power Corporation Limited	PSEB, Head Office, The Mall, Patiala -147 001.	Punjab	Power	4.89	5 to 10 years
37.	Uttar Haryana Bijli Vitran Nigam Limited	Vidyut Sadan, Plot No. C-16, Sector-6, Panchkula - 124 505.	Haryana	Power	3.46	10 to 15 years
38.	Chhattisgarh State Power Distribution	Vidyut Seva Bhavan,	Chattisgarh	Power	3.09	10 to 15

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (Rs. In Crore)	Maturity Profile
	Company Limited	Danganiya, Raipur 492 013.				years
39.	Himachal Pradesh State Electricity Board Limited	Vidyut Bhawan Kumar House, Shimla -171 004.	Himachal Pradesh	Power	1.38	5 to 10 years
40.	Dakshin Haryana Bijli Vitran Nigam Limited	Dakshin Haryana Bijli Vitran Nigam Vidyut Sadan, Vidyut Nagar, Hisar -125 005.	Haryana	Power	1.25	15 to 20 years
41.	Haryana Vidyut Prasaran Nigam Limited	Shakti Bhawan, Sector 6, Panchkula – 124 505.	Haryana	Power	1.21	10 to 15 years
42.	Sasan Power Limited	G Block, Ground Floor, Dhirubhai Ambani Kowledge City, Navi Mumbai 400 710.	Maharashtra	Power	0.77	15 to 20 years
43.	Govt of Jammu and Kashmir.	Grid Sub Station Complex, Janipur, Jammu, Jammu and Kashmir	Jammu and Kashmir	Power	0.60	10 to 15 years
44.	Starwire (India) Vidyut Private Limited	35, Link Road, Lajpat Nagar -110 024.	New Delhi	Power	0.59	10 to 15 years
45.	Government of Kerala	Kerala State Electricity Board Limited, Vydhyuthi Bhavanam, Pattom,Thiruvananthapuram, – 695 004.	Kerala	Power	0.49	10 to 15 years
	Total				**2,017.35**	

The lending done by our Company, in descending order, out of the issue proceeds of Tranche-2 to all borrowers are provided below:

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
1.	Maharashtra State Electricity Distribution Company Limited	Maharashtra State Electricity Distribution Company LimitedPrakashgad, Plot No. G-9, Bandra, Mumbai-400 051.	Maharashtra	Power	43.74	10 to 15 years
2.	Maharashtra State Power Generation Company Limited	Maharashtra State Power Generation Company Limited Hongkong Bank Building, M.G. Road, Fort, Mumbai-400 001.	Maharashtra	Power	36.29	15 to 20 years
3.	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited	Nishtha Parisar, Govindpura, Bhopal 462 023.	Madhya Pradesh	Power	19.12	10 to 15 years
4.	Maharashtra State Electricity Transmission Company Limited	Maharashtra State Electricity Transmission Co. Limited HSBC Bank Building, M.G. Road, Fort,	Maharashtra	Power	12.57	10 to 15 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
		Mumbai- 400 001.				
5.	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	MP Poorv Kshetra Vidyut Vitran Company Limited Shakti Bhawan, Jabalpur-482 008.	Madhya Pradesh	Power	10.10	10 to 15 years
6.	Haryana Vidyut Prasaran Nigam Limited	Shakti Bhawan, Sector 6, Panchkula-124 505.	Haryana	Power	4.29	15 to 20 years
7.	Haryana Vidyut Prasaran Nigam Limited	Shakti Bhawan, Sector 6, Panchkula-124 505.	Haryana	Power	1.78	10 to 15 years
8.	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	MP Poorv Kshetra Vidyut Vitran Company Limited Shakti Bhawan, Jabalpur-482 008.	Madhya Pradesh	Power	1.62	15 to 20 years
9.	Jammu and Kashmir Power Development Department .	Grid Sub Station Complex, Janipur, Jammu, Jammu and Kashmir	Jammu and Kashmir	Power	0.88	10 to 15 years
10.	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	MP Paschim Kshetra Vidyut Vitran Company Limited Gph Campus Polo Ground, Indore-452 015.	Madhya Pradesh	Power	0.67	10 to 15 years
	Total				**131.06**	

III. Public issue of tax free secured redeemable non-convertible bonds upto an aggregate amount of ₹ 4,500.00 crore. The total amount allotted was ₹ 4,500.00 crore:

The tax free bonds under the tranche – 1 issue were allotted on September 24, 2013 and tranche – 2 were allotted on March 24, 2014. The dispatch of refunds pursuant to the issue of bonds under Tranche – 1 and Tranche – 2 was made on September 26, 2013 and March 25, 2014 respectively. The trading at BSE for tranche -1 issue commenced on September 27, 2013 and for tranche -2 issue commenced on March 26, 2014.Under the above mentioned public issues, the total amount allotted was ₹ 4500.00 crore.

S. No.	Series Name	Date of Allotment	Amount raised (in ₹ crore)
1.	Tranche – 1	September 26, 2013	3,440.60
2.	Tranche – 2	March 25, 2014	1,059.40
	Total		**4,500.00**

The lending done by our Company, in descending order, out of the issue proceeds of Tranche-1 to all borrowers are provided below:

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
1.	UP Power Corporation Limited	Room No. 314, I.F. section, Shakti Bhawan, 14-Ashok Marg, Lucknow,U.P.-226 001.	Uttar Pradesh	Power	1,500.00	5 to 10 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
2.	Teesta Urja Stage 3 Hydro Electric Project Limited	Teesta Urja Limted, Near Power Colony Mangan, North Sikkim Distt., Sikkim	Sikkim	Power	214.59	15 to 20 years
3.	Uttar Haryana Bijli Vitran Nigam Limited	Uttar Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, Plot No. C-16, Sector-6,Panchkula - 124 505.	Haryana	Power	158.45	5 to 10 years
4.	Dakshin Haryana Bijli Vitran Nigam Limited	Dakshin Haryana Bijli Vitran Nigam Vidyut Sadan, Vidyut Nagar, Hisar -125 005.	Haryana	Power	150.00	5 to 10 years
5.	Rajasthan Rajya Vidyut Prasaran Nigam Limited	Vidyut Bhawan, Janpath, Jaipur - 302 005, Rajasthan.	Rajasthan	Power	150.00	upto 1 year
6.	Tamil Nadu Transmission Corporation Limited	144,Anna Salai, Chennai - 600 002.	Tamil Nadu	Power	100.46	10 to 15 years
7.	UP Power Transmission Corporation Limited	Shakti Bhawan, 14-Ashok Marg, Lucknow-226 001.	Uttar Pradesh	Power	96.01	10 to 15 years
8.	Tamil Nadu Transmission Corporation Limited	144,Anna Salai, Chennai - 600 002.	Tamil Nadu	Power	81.74	15 to 20 years
9.	Punjab State Transmission Corporation Limited	PSEB, Head Office, The Mall, Patiala, Punjab-147 001.	Punjab	Power	69.37	15 to 20 years
10.	Adani Power Maharashtra Limited	Achalraj, Opp. Mayor Bunglow, Law Garden, Ahmedabad.	Ahmedabad	Power	64.13	5 to 10 years
11.	Rajasthan Rajya Vidyut Prasaran Nigam Limited	Vidyut Bhawan, Janpath, Jaipur – 302 005, Rajasthan.	Rajasthan	Power	50.38	15 to 20 years
12.	Bharatiya Rail Bijlee Company Limited	Bhartiya Rail Bijlee Company Limited, Nabinagar H-Type office (C&M Hall) PO-Pirouta, P.S.-Khaira Distt-Aurangabad, Bihar-824 303.	Bihar	Power	50.00	15 to 20 years
13.	Govt. of UP-Madhyanchal Vidyut Vitaran Nigam Limited-RGGVY	Madhyanchal Vidyut Vitaran Nigam Limited 4-A, Gokhle Marg, Lucknow .	Uttar Pradesh	Power	48.63	10 to 15 years
14.	Andhra Pradesh Southern Power Distribution Company Limited	D.No:19-13-65/A, Srinivasapuram, Tiruchanoor Road Tirupati – 517 503 Chittoor District.	Andhra Pradesh	Power	47.24	10 to 15 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
15.	Chamundeswari Electricity Supply Corporation Limited	Temple Rd, VV Mohalla, Vontikoppal, Mysuru, Karnataka 570 006.	Karnataka	Power	43.00	upto 1 year
16.	Maharashtra State Power Generation Company Limited	Maharashtra State Power Generation Company Limited Hongkong Bank Building, M.G.Road, Fort, Mumbai-400 001.	Maharashtra	Power	41.28	15 to 20 years
17.	NTPC Tamil Nadu Energy Company Limited	Vallur Thermal Power Project,Vellivoyal Chavadi, Ponneri Taluk,Tiruvallur, Chennai, Tamil Nadu 600 103.	Tamil Nadu	Power	40.00	15 to 20 years
18.	Maharashtra State Electricity Distribution Company Limited	Prakashgad, Plot No. G-9, Bandra, Mumbai-400 051.	Maharashtra	Power	38.68	10 to 15 years
19.	UP Rajya Vidyut Utpadan Nigam Limited	Shakti Bhawan, 14-Ashok Marg, Lucknow-226 001.	Uttar Pradesh	Power	36.65	15 to 20 years
20.	Acme Solar Energy (Madhya Pradesh) Private Limited	Plot No.152, Sector-44, Gurgaon - 122002, Haryana, India	Haryana	Power	35.56	10 to 15 years
21.	Paschimanchal Vidyut Vitran Nigam Limited	Urja Bhawan Paschimanchal Vidyut Vitran Nigam Limited, Victoria Park, Meerut 250 001.	Uttar Pradesh	Power	35.01	10 to 15 years
22.	Tamil Nadu Generation And Distribution Corporation Limited	NPKRR Maaligai, 144,Anna Salai, Chennai - 600 002.	Tamil Nadu	Power	32.01	10 to 15 years
23.	Maharashtra State Electricity Transmission Company Limited	HSBC Bank Building, M.G.Road, Fort, Mumbai- 400 001.	Maharashtra	Power	29.14	10 to 15 years
24.	Nabinagar Power Generating Company Private Limited	Vidyut Bhawan - II, Bailey Rd, Patna, Bihar 800 001.	Bihar	Power	29.00	15 to 20 years
25.	Andhra Pradesh Power Generation Corporation Limited	Vidyut Sudha, Khairatabad, Hyderabad-500 082.	Andhra Pradesh	Power	26.67	15 to 20 years
26.	UP Dakchinanchal Vidyut Vitran Nigam Limited	Urja Bhavan, NH - 2 (Agra - Delhi Bypass Road), Sikandra, Agra - 282 007.	Agra	Power	20.31	10 to 15 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
27.	Andhra Pradesh Southern Power Distribution Company Limited	D.No:19-13-65/A, Srinivasapuram, Tiruchanoor Road Tirupati – 517 503 Chittoor District.	Andhra Pradesh	Power	20.25	5 to 10 years
28.	Govt. of UP-Pashchimanchal Vidyut Vitaran Nigam Limited-RGGVY	Purvanchal Vidyut Vitaran Nigam Limited Vidyut Nagar, PO DLW, Bhikharipur, Varanasi	Uttar Pradesh	Power	19.72	10 to 15 years
29.	Meenakshi Energy Private Limited	119, Road no. 10, Jubilee Hills Hyderabad-500 033.	Telangana	Power	18.37	15 to 20 years
30.	Power Transmission Corporation of Uttarakhand Limited	Ballupur Chowk, Chakrata Rd, Dehradun, Uttarakhand 248 001.	Uttaranchal	Power	16.91	10 to 15 years
31.	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	MP Paschim Kshetra Vidyut Vitran Company Limited Gph Campus Polo Ground, Indore-452 015.	Madhya Pradesh	Power	16.70	10 to 15 years
32.	Punjab State Power Corporation Limited	Head Office, The Mall, Patiala, Punjab-147 001.	Punjab	Power	13.59	10 to 15 years
33.	Andhra Pradesh Central Power Distribution Company Limited	6-1-50, Corporate Office, Mint Compound, Hyderabad-500 063.	Andhra Pradesh	Power	13.39	5 to 10 years
34.	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited	Nishtha Parisar, Govindpura, Bhopal 462 023.	Madhya Pradesh	Power	12.95	10 to 15 years
35.	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	MP Poorv Kshetra Vidyut Vitran Company Limited Shakti Bhawan, Jabalpur-482 008.	Madhya Pradesh	Power	11.92	10 to 15 years
36.	Jaipur Vidyut Vitaran Nigam Limited	Jaipur Vidyut Vitaran Nigam Limited, Vidyut Bhawan, Janpath, Jaipur – 302 005, Rajasthan.	Rajasthan	Power	11.64	15 to 20 years
37.	Dakshin Haryana Bijli Vitran Nigam Limited	Dakshin Haryana Bijli Vitran Nigam Vidyut Sadan, Vidyut Nagar, Hisar -125 005.	Haryana	Power	11.48	10 to 15 years
38.	Haryana Vidyut Prasaran Nigam Limited	Shakti Bhawan, Sector 6, Panchkula - 124 505.	Haryana	Power	11.29	15 to 20 years
39.	Jodhpur Vidyut Vitaran Nigam Limited	Jodhpur Vidyut Vitaran Nigam Limited New Power House, Industrial Area Jodhpur-342 003.	Rajasthan	Power	10.23	15 to 20 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
40.	Chamundeswari Electricity Supply Corporation Limited	Temple Rd, VV Mohalla, Vontikoppal, Mysuru, Karnataka 570 006.	Karnataka	Power	10.04	10 to 15 years
41.	Transmission Corporation of Andhra Pradesh Limited	Transmission Corporation of Andhra Pradesh Limited, Vidyut Soudha, Khairatabad, Hyderabad-500 082.	Andhra Pradesh	Power	9.02	10 to 15 years
42.	Punjab State Power Corporation Limited	PSEB, Head Office, The Mall, Patiala, Punjab-147 001.	Punjab	Power	8.95	5 to 10 years
43.	Uttaranchal Power Corporation Limited	Urja Bhawan, Kanwali Road, Dehradun,Uttarakhand-248 001.	Uttaranchal	Power	7.83	10 to 15 years
44.	RKM Powergen Private Limited	14/45 Dr.Giriappa Road, T.Nagar, Chennai – 600 017, Tamil Nadu.	Tamil Nadu	Power	6.64	15 to 20 years
45.	Northern Power Distribution Company of A.P. Limited	Northern Power Distribution Company Limited H.No.1-1-503, Opp. NIT Petrol Pump, Chaitanya Puri, Hanamkunda Warangal-506 004.	Telangana	Power	4.19	10 to 15 years
46.	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	MP Poorv Kshetra Vidyut Vitran Company Limited Shakti Bhawan, Jabalpur-482 008.	Madhya Pradesh	Power	4.17	5 to 10 years
47.	Dakshin Haryana Bijli Vitran Nigam Limited	Dakshin Haryana Bijli Vitran Nigam Vidyut Sadan, Vidyut Nagar, Hisar -125 005.	Haryana	Power	3.42	15 to 20 years
48.	Govt of Madhya Pradesh-Kshetra-RGGVY	Nishtha Parisar, Govindpura, Bhopal - 462 023.	Madhya Pradesh	Power	2.54	10 to 15 years
49.	Jaipur Vidyut Vitaran Nigam Limited	Jaipur Vidyut Vitaran Nigam Limited, Vidyut Bhawan, Janpath, Jaipur – 302 005.	Rajasthan	Power	2.08	10 to 15 years
50.	Jodhpur Vidyut Vitaran Nigam Limited	Jodhpur Vidyut Vitaran Nigam Limited New Power House, Industrial Area Jodhpur-342 003.	Rajasthan	Power	1.82	10 to 15 years
51.	Gulbarga Electricity Supply Company Limited (GESCOM)	GESCOM, Corporate Office, Main Road, Gulbarga-585 102.	Karnataka	Power	1.04	10 to 15 years
52.	Uttar Haryana Bijli Vitran Nigam Limited	Uttar Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, Plot No. C-16, Sector-6,Panchkula 124 505.	Haryana	Power	0.93	10 to 15 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (in ₹ crore)	Maturity Profile
53.	Transmission Corporation of Andhra Pradesh Limited	Transmission Corporation of Andhra Pradesh Limited, Vidyut Soudha, Khairatabad, Hyderabad-500 082.	Andhra Pradesh	Power	0.68	5 to 10 years
54.	Tamil Nadu Generation And Distribution Corporation Limited	NPKRR Maaligai, 144,Anna Salai, Chennai - 600 002.	Tamil Nadu	Power	0.48	15 to 20 years
55.	Haryana Vidyut Prasaran Nigam Limited	Shakti Bhawan, Sector 6, Panchkula - 124 505.	Haryana	Power	0.02	10 to 15 years
	Total				**3,440.60**	

The lending done by our Company, in descending order, out of the issue proceeds of Tranche-2 to all borrowers are provided below:

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (Rs. in crore)	Maturity Profile
1.	Tamil Nadu Transmission Corporation	144,Anna Salai, Chennai - 600 002.	Tamil Nadu	Power	500.00	1 to 5 years
2.	Orissa Power Generation Corporation Limited	7th floor, Fortune Tower, Chandrasekharpur, Bhubaneshwar -751 023.	Orissa	Power	170.00	15 to 20 years
3.	Chhattisgarh State Power Distribution Company Limited	Vidyut Seva Bhavan, Danganiya, Raipur (CG) 492 013.	Chattisgarh	Power	90.57	10 to 15 years
4.	Orissa Power Transmission Corporation Limited	1st Floor, Bidyut Bhawan, Janpath, Saheed Nagar, Bhubaneswar-751 007.	Orissa	Power	45.93	10 to 15 years
5.	Transmission Corporation of Andhra Pradesh Limited	Vidyut Soudha, Khairatabad, Hyderabad-500 082.	Andhra Pradesh	Power	41.58	10 to 15 years
6.	Bharatiya Rail Bijlee Company Limited	Nabinagar H-Type office (C&M Hall) PO-Pirouta, P.S.-Khaira Distt-Aurangabad, Bihar-824 303.	Bihar	Power	30.00	15 to 20 years
7.	Jodhpur Vidyut Vitaran Nigam Limited	Jodhpur Vidyut Vitaran Nigam Limited New Power House, Industrial Area Jodhpur-342 003.	Rajasthan	Power	29.16	10 to 15 years
8.	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	MP Poorv Kshetra Vidyut Vitran Company Limited Shakti Bhawan, Jabalpur-482 008.	Madhya Pradesh	Power	24.82	10 to 15 years
9.	Andhra Pradesh Southern Power Distribution Company	D.No:19-13-65/A, Srinivasapuram, Tiruchanoor Road, Tirupati – 517 503.	Andhra Pradesh	Power	22.14	10 to 15 years
10.	Maharashtra State Electricity Distribution	Prakashgad, Plot No. G-9, Bandra, Mumbai -400 051.	Maharashtra	Power	19.73	10 to 15 years

S. No.	Borrower Name	Address	Geographical Classification	Sector	Amount disbursed (Rs. in crore)	Maturity Profile
	Company Limited					
11.	Maharashtra State Electricity Transmission Company Limited	HSBC Bank Building, M.G.Road, Fort, Mumbai- 400 001.	Maharashtra	Power	17.08	10 to 15 years
12.	Andhra Pradesh Power Generation Corporation Limited	Vidyut Sudha, Khairatabad, Hyderabad-500 082.	Andhra Pradesh	Power	16.90	15 to 20 years
13.	Himachal Pradesh State Electricity Board Limited	Vidyut Bhawan Kumar House Shimla Himachal Pradesh (India)-171 004.	Himachal Pradesh	Power	15.93	10 to 15 years
14.	Himachal Pradesh State Electricity Board Limited	Vidyut Bhawan Kumar House Shimla Himachal Pradesh (India)-171 004.	Himachal Pradesh	Power	11.05	10 to 15 years
15.	Uttar Haryana Bijli Vitran Nigam Limited	Uttar Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, Plot No. C-16, Sector-6,Panchkula – 124 505.	Haryana	Power	9.99	5 to 10 years
16.	Gulbarga Electricity Supply Company Limited	GESCOM, Corporate Office, Main Road, Gulbarga-585 102.	Karnataka	Power	7.77	10 to 15 years
17.	Punjab State Transmission Corporation Limited	PSEB, Head Office, The Mall, Patiala -147 001.	Punjab	Power	2.78	15 to 20 years
18.	Uttar Haryana Bijli Vitran Nigam Limited	Uttar Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, Plot No. C-16, Sector-6,Panchkula- 124 505.	Haryana	Power	1.94	10 to 15 years
19.	Govt of Puducherry	137, Netaji Subhash Chandra Bose Salai, Puducherry - 605 001.	Puducherry	Power	1.17	10 to 15 years
20.	Dakshin Haryana Bijli Vitran Nigam Limited	Dakshin Haryana Bijli Vitran Nigam Vidyut Sadan, Vidyut Nagar, Hisar -125 005.	Haryana	Power	0.47	15 to 20 years
21.	Jammu and Kashmir Power Development Department Limited	Grid Sub Station Complex, Janipur, Jammu, Jammu and Kashmir.	Jammu and Kashmir	Power	0.39	10 to 15 years
	Total				**1,059.40**	

D. Utilisation of proceeds by Group Companies

Since our Promoter is the Government of India acting through the MoP, the requirement to disclose details pertaining to previous issuances by group companies is not applicable to our Company.

Material Agreements

Except as stated in the section "***History and Certain Corporate Matters***" on page 132 of the Shelf Prospectus, there are no material agreements entered into by our Company other than in the ordinary course of business in the past two years.

Penalty

Our Company presently has 4 (four) Directors on the Board, of which 3 (three) are whole-time Directors, 1 (one) is a Government Nominee Director. The composition of Board is not in compliance with the requirements of Clause 49 of the Equity Listing Agreement and the Companies Act, and is short of 4 part time non-official independent directors including a woman director.

Our Company had received a notice from the NSE through letter (No. FINES/2015-16/32274) dated July 1, 2015 and from the BSE through letter (No. LIST/COMP/49-Woman Dir/77/2015-16) dated July 10, 2015, in pursuance of SEBI Circular (No. CIR/CFD/CMD/1/2015) dated April 8, 2015, imposing a penalty of ₹ 50,000 for non-compliance of Clause 49(II)(A)(1) of the Equity Listing Agreement regarding non-appointment of woman director on the Board as on April 1, 2015.

Our Company has by its letter (No. SEC-1/187/(2)/2015/1438) dated July 13, 2015 replied to the NSE and BSE that the power to appoint Directors on the Board vests with the President of India and, accordingly, our Company is not in a position to ensure compliance with Clause 49(II)(A)(1) of the listing agreement.

Our Company had received a notice from the NSE through letter (No. FINES/2015-16/45075) dated October 5, 2015, in pursuance of SEBI Circular (No. CIR/CFD/CMD/1/2015) dated April 8, 2015, imposing a penalty of ₹ 1,42,000 for non-compliance of Clause 49(II)(A)(1) of the Equity Listing Agreement regarding non-appointment of woman director on the Board as on September 30, 2015.

SEBI Exemption Letter

The current composition of the Board of Directors does not comply with Clause 49 of the Equity Listing Agreement and the Companies Act. SEBI has by its circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013, in order to avoid hardships to frequent debt issuers, allowed listed issuers, compliant with the Equity Listing Agreement, to disclose unaudited financials with limited review, as filed with stock exchanges, instead of audited financials, for the stub period, being a date not more than 180 days before the issue of the prospectus.

Our Company had by its letters dated September 15, 2015 and September 18, 2015 requested SEBI to grant an exemption in this regard and allow our Company to use the limited review report for the 3 month period ending June 30, 2015 in connection with the Issue.

SEBI through its letter no. IMD/DOF-1/BM/VA/OW/28143/2015 and letter no. IMD/DOF-1/BM/VA/OW/28279/2015 dated October 6, 2015, stated that:

(a) Our Company should take necessary steps expeditiously to appoint the requisite number of independent directors and women directors, as required under the Clause 49 of Equity Listing Agreement;

(b) Our Company should make appropriate disclosure in the offer document with respect to non-compliance with Clause 49 of Equity Listing Agreement; and

(c) Our Company may file unaudited financial statements accompanied with Limited Review Report for the period ended June, 2015, in the offer document and the same should be reflected in the offer document.

Statement by the Board of Directors:

(i) All monies received pursuant to the Issue shall be transferred to a bank account other than the bank account referred to in Section 40 of the Companies Act, 2013 and shall not be utilised for any purpose other than;

  (a) for adjustment against allotment of securities where the securities have been permitted to be dealt with in the stock exchange or stock exchanges specified in the prospectus; or

  (b) for the repayment of monies within the time specified by the Securities and Exchange Board of India, received from applicants in pursuance of the prospectus, where our Company is for any other reason unable to allot securities;

(ii) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in our Company's financial results, indicating the purpose for which such monies were utilized; and

(iii) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our Company's financial results, indicating the form and the securities or other forms of financial assets in which such unutilized monies have been invested.

The funds raised by us from previous bonds issues have been utilised for our business as stated in the respective offer documents.

Disclaimer clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED OCTOBER 20, 2015, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINUZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

a) WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR

b) WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

c) TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OF FOR ANY OTHER REASON WHATSOEVER."

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED FEBRUARY 10, 1998 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITY BY THE COMPANY.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, A. K. CAPITAL SERVICES LIMITED, RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS

REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, A. K. CAPITAL SERVICES LIMITED, RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 21, 2015 WHICH READS AS FOLLOWS:

- **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

- **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE BONDS OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE PUBLISHED.**

- **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 TO THE EXTENT NOTIFIED AND APPLICABLE AS ON THIS DATE, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

We confirm that the Draft Shelf Prospectus was posted on the website of BSE for seven working days and that no comments/ complaints were received on the Draft Shelf Prospectus.

Disclaimer in Respect of Jurisdiction

The Issue is being made in India, to Public Financial Institutions, scheduled commercial banks, resident multilateral and bilateral development financial institutions, state industrial development corporations; Provident funds and pension funds with minimum corpus of ₹ 25 crore; Insurance companies registered with the IRDA; National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India; Mutual funds registered with SEBI; Resident Alternative Investment Funds and Venture Capital Funds registered with SEBI, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; Companies within the meaning of section 2(20) of the Companies Act, 2013; Statutory bodies/corporations; Cooperative banks; Trusts including Public/ private /religious trusts; Limited liability partnerships; Partnership firms in the name of the respective partners; Regional rural banks; Societies registered under the applicable law in India; Other legal entities, subject to compliance with their respective applicable legislations; Resident Indian individuals; Hindu Undivided Families through the Karta; Non Resident Indians on non-repatriation basis only, provided that all the above persons are authorised to invest in the Issue.

The Shelf Prospectus and the Prospectus Tranche I will not, however constitute an offer to sell or an invitation to subscribe for the Bonds offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Shelf Prospectus and the respective Prospectus Tranche I comes is required to inform himself or herself about, and to observe, any such restrictions.

US disclaimer

Nothing in the Shelf Prospectus constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**"), or the securities laws of any state of the United States or other jurisdiction and the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. The Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Each other purchaser of the Bonds will be required to represent and agree, among other things, that (i) such purchaser is a non-U.S. person acquiring the Bonds in an "offshore transaction" in accordance with Regulation S, and (ii) any reoffer, resale, pledge or transfer of the Bonds by such purchaser will not be made to a person in the United States or to a person known by the undersigned to be a U.S. Person, in each case in accordance with all applicable securities laws.

EU disclaimer

No offer to the public (as defined under Directive 20003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue or otherwise in respect of the Bonds, in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the Bonds.

Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions of the Bonds and the information contained in the Shelf Prospectus read with the Prospectus Tranche I.

Track record of past public issues handled by the Lead Managers

The details of the track record of the Lead Managers to the Issue, as required by SEBI circular CIR/MIRSD/1/2012 dated January 10, 2012, has been disclosed on the respective websites of the Lead Managers to the Issue.

Listing

The Bonds are proposed to be listed on the BSE and BSE shall be the Designated Stock Exchange for the Issue.

Dividend

Our Company has paid dividend of 75%, 75%, 82.50%, 95% and 107% for the financial years ended March, 2011; March, 2012; March, 2013; March, 2014 and March, 2015 respectively.

Mechanism for redressal of Investor grievances

Karvy Computershare Private Limited has been appointed as the Registrar to the Issue to ensure that Investor grievances are handled expeditiously and satisfactorily and to effectively deal with Investor complaints. Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue, quoting all relevant details including the full name of the sole/first Applicant, Application Form number, Applicant's Depository Participant ID ("**DP ID**"), Client ID and PAN, number of Bonds applied for, date of the Application Form, name and address of the Member of the Syndicate or Trading Members of the Stock Exchanges or Designated Branch of the SCSB, as the case may be, where the Application was submitted, and cheque/draft number and issuing bank, or, with respect to ASBA Applications, the ASBA Account number in which an amount equivalent to the Application Amount was blocked. Applicants may contact our Executive Director and Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on Application

Amounts or refund or credit of Bonds in the respective beneficiary accounts, as the case may be. Grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Signatories to the Memorandum of Association of our Company and the number of shares subscribed by them

Provided below are the subscribers to the Memorandum of Association and the shares subscribed by each person:

S. No.	Name of Subscriber	Address Description and Occupation, if any	No. of shares taken
1.	President of India through Sh. K.P. Mathrani S/o Shri Pribhdas Mathrani	Secretary, Ministry of Irrigation and Power, New Delhi for and on behalf of the President of India	One
2.	Sh. K.G.R. Iyer S/o Shri K.S. Govindaswamy Iyer	Joint Secretary, Ministry of Irrigation and Power, New Delhi	One
3.	Shri A.T. Bambawale S/o Shri T.A. Bambawale	Joint Secretary, Ministry of Irrigation and Power, New Delhi	One
4.	Shri A.P. Seethapathy S/o Shri A.L. Padmanabha Iyer	Member, Central Water and Power Commission, New Delhi	One

ISSUE STRUCTURE

The CBDT vide the CBDT Notification has authorised our Company to raise Bonds aggregating upto Rs. 1000 crores in Fiscal 2016. In pursuance of CBDT Notification, our Company is authorised to raise a minimum of 70% of the allocated limit by way of various tranche(s) of public issue. Our Company has raised an amount aggregating to ₹ 300 crore, equivalent to 30% of the allocated limit, through private placement route. Our Company shall ensure that Bonds issued through public issue route and private placement route in the Fiscal 2016 shall together not exceed the allocated limit.

This Prospectus Tranche – I by the Issuer is of Bonds for an amount of ₹ 300 crores with an option to retain oversubscription upto ₹ 400 crores, aggregating upto ₹ 700 crores.

The following are the key terms of the Issue. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in "***Terms of the Issue***" on page 64 of this Prospectus Tranche I.

The key common terms and conditions of the Bonds are as follows:

Particulars	Terms and Conditions
Issuer	Rural Electrification Corporation Limited
Issue of Bonds	Public issue by Rural Electrification Corporation Limited ("**REC**" or "**Issuer**" or the **"Company**") of tax free secured redeemable non convertible bonds of face value of ₹1000 each in the nature of debentures having tax benefits under section 10 (15)(iv)(h) of the Income Tax Act, 1961, as amended ("**Income Tax Act**") and such bonds ("**bonds**"), for an amount aggregating upto the Shelf Limit* (₹700 crore) by way of issuance of bonds in one or more tranches in the fiscal 2016 (each a "tranche issue", and together all tranche issues upto the Shelf Limit, "**Issue**"). This tranche issue by the issuer is of bonds for an amount of ₹300 crore ("**Base Issue Size**") with an option to retain oversubscription of upto ₹400 crore aggregating upto ₹700 crore ("**Tranche I Issue**"). This Tranche I Issue is being offered by way of this Prospectus Tranche I containing, inter alia, the terms and conditions of Tranche I Issue ("**Prospectus Tranche I**"), which should be read together with the Shelf Prospectus dated October 21, 2015 filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"), designated stock exchange and the Securities and Exchange Board of India ("**SEBI**") for the issue. The Shelf Prospectus together with the Prospectus Tranche I shall constitute the "**Prospectus**". ** In pursuance of CBDT Notification No. 59/2015, our Company is authorised to raise a minimum of 70% of the allocated limit by way of various tranche(s) of public issue. Our Company has raised an amount aggregating to ₹300 crore, equivalent to 30% of the allocated limit, through private placement route. Our Company shall ensure that Bonds issued through public issue route and private placement route in the Fiscal 2016 shall together not exceed the allocated limit.* The Issue, and for the avoidance of doubt, this Tranche I Issue is being made under the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended ("**SEBI Debt Regulations**") and Notification no. 59/2015.F.No.178/27/2015-ITA-1 dated July 6, 2015 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India ("**CBDT Notification**"), by virtue of powers conferred upon it by item (h) of sub-clause (iv) of clause (15) of section 10 of the Income Tax Act.
Type of Instrument	Secured redeemable non-convertible bonds
Nature of Instrument	Secured
Mode of Issue	Public Issue
Eligible Investors	**Category I*** ("**Institutional**"): • Public financial institutions, scheduled commercial banks, resident multilateral and bilateral development financial institutions, state industrial development corporations;

Particulars	Terms and Conditions
	• Provident funds and pension funds with minimum corpus of ₹ 25 crore; • Insurance companies registered with the IRDA; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India; • Mutual funds registered with SEBI; and • Resident Alternative Investment Funds and Venture Capital Funds registered with SEBI, subject to investment conditions applicable to them. which are authorized to invest in the Issue. **Category II*** ("**Corporates**"): • Companies within the meaning of section 2(20) of the Companies Act; • Statutory bodies/corporations; • Cooperative banks; • Trusts including Public/ private charitable/religious trusts; • Limited liability partnerships; • Partnership firms in the name of the respective partners; • Regional rural banks; • Societies registered under the applicable law in India; • Association of persons; and • Other legal entities, subject to compliance with their respective applicable legislations. which are authorized to invest in the Issue. **Category III** ("**HNIs**"): The following Investors applying for an amount aggregating to above ₹10 lakhs across all Series of Bonds in this Tranche I Issue: • Resident Indian individuals; • Hindu Undivided Families through the Karta; and • Non Resident Indians on non-repatriation basis only; which are authorized to invest in the Issue. **Category IV** ("**RIIs**"):

Particulars	Terms and Conditions
	The following Investors applying for an amount aggregating upto and including ₹ 10 lakhs across all Series of Bonds in this Tranche I Issue: • Resident Indian individuals; • Hindu Undivided Families through the Karta; and • Non Resident Indians on non-repatriation basis only; which are authorized to invest in the Issue.
Lead Managers	AK Capital, Edelweiss and RR.
Listing	BSE. BSE shall be the Designated Stock Exchange for the Issue. The Bonds are proposed to be listed within 12 Working Days from the respective Tranche Issue Closing Date.
Credit Ratings	CRISIL Limited ("**CRISIL**") *vide* its letter no. PB/FSR/REC/2015-16/925 dated September 15, 2015, has assigned a credit rating of "**CRISIL AAA/Stable** " to the long term borrowing programme of our Company for FY 2015-16 aggregating to ₹45,500 crore and vide its letter no. PB/FSR/REC/2015-16/1109 dated October 19, 2015 dated revalidated the credit rating. Credit Analysis & Research Limited ("**CARE**") *vide* its letter no. CARE/DRO/RL/2015-16/1648 dated September 15, 2015 has assigned a credit rating of "**CARE AAA (Triple A)**" to the market borrowing programme of our Company for FY 2015-16 aggregating to ₹45,500 crore and vide its letter no. CARE/DRO/RL/2015-16/1878 dated October 19, 2015 revalidated the credit rating. India Ratings & Research Private Limited ("**IRRPL**") vide its letter dated September 16, 2015 has assigned a credit rating of "**IND AAA/Stable**" to the borrowing programme of our Company for FY 2015-16 aggregating to ₹45,500 crore and vide its letter dated October 19, 2015 revalidated the credit rating.. ICRA Limited ("**ICRA**") vide its letter no. D/RAT/2015-16/R7/7 dated September 16, 2015 has assigned the rating of "**[ICRA] AAA**" to the long term borrowing programme of our Company for FY 2015-16 aggregating to ₹45,500 crore and vide its letter no. D/RAT/2015-16/R7/8 dated October 19, 2015 revalidated the credit rating. Instruments with such ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The above ratings are not a recommendation to buy, sell or hold securities and hence the Investors should take their own decision before investing in the Issue. These ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings. For further details and for rationale for the above ratings, please refer to Appendix - II of the Shelf Prospectus.
Objects of the Issue and Utilisation of Proceeds	Please refer to "***Objects of the Issue***" on page 26 of this Prospectus Tranche I.
Step up/step down Coupon rate	Nil.
Coupon/Interest Reset Process	None
Interest payment date	First Coupon/ Interest Payment Date shall be December 28, 2015, and subsequently on December 1 of every year until the Maturity Date/ Redemption Date of the series of Bonds.
Working Day Convention/Day Count	All days, excluding Sundays or a holiday of commercial banks or a public holiday in Delhi or Mumbai, except with reference to Issue Period and Record Date, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post Issue Period, i.e. period beginning from Issue Closing Date to listing of the Bonds, Working Days shall

Particulars	Terms and Conditions
	mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India. **Day Count Convention** **Actual/Actual**; i.e. Interest will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the interest period (start date to end date) includes February 29, interest will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds. **Effect of holidays on payments** If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon/Interest Payment Date. If the Redemption Date/Maturity Date (also being the last Coupon/Interest Payment Date) of any Series of the Bonds falls on a day that is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the Bonds until but excluding the date of such payment.
Interest on Application Money	Please refer to "***Terms of the Issue***" on page 71 of the Prospectus Tranche I.
Default Interest Rate	As specified in the Bond Trust cum Mortgage Deed.
Redemption Premium/Discount	Nil
Issue Price	₹ 1,000 per Bond
Issue Size	₹ 300 crores with an option to retain oversubscription upto ₹ 400 crores, aggregating upto ₹ 700 crores.
Discount at which Bond is issued and the effective yield as a result of such discount	Not Applicable
Put/Call	There is no put/call for the Bonds.
Minimum Application Size and in the multiple of thereafter	5 Bonds (₹ 5000) (individually or collectively, across all Series of Bonds) in the multiple of One Bond (₹ 1000) thereafter.
Tranche Issue Opening Date	October 27, 2015.
Tranche Issue Closing Date	November 4, 2015.
Pay-in Date	Date of Application.
Deemed Date of Allotment	The date on which the Board of Directors or Bond Committee approves the Allotment of the Bonds for each Tranche Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified for each tranche by way of Prospectus Tranche I) shall be available to the Bondholders from the Deemed Date of Allotment. The actual Allotment of Bonds may take place on a date other than the Deemed Date of Allotment.
Mode of Allotment	In dematerialised or physical form, at the option of Applicants.
Trading Mode	In dematerialised form only^
Mode of Payment/ Settlement	For various modes of payment, see "***Terms of the Issue***" on page 73 of this Prospectus Tranche I.
Depositories	NSDL and CDSL
Record Date	15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption

Particulars	Terms and Conditions
	Date for Bonds issued under this Prospectus Tranche I. In the event the Record Date falls on a Sunday or a holiday of the Depositories, the succeeding Working Day or a date notified by our Company to the stock exchanges, shall be considered as the Record Date.
Security and Asset Cover	The Bonds issued by our Company will be secured by way of first/*pari passu* charge on the book debts and/or immovable property of our Company, other than those that are exclusively charged/earmarked to any trustee/lender(s) of our Company, and/or any other security as may be agreed between our Company and the Trustee, pursuant to the terms of the Bond Trust cum Mortgage Deed with a minimum security cover of one time of the aggregate face value amount of Bonds and interest thereon outstanding at all times till the currency of the Bonds. The permissions or consent to create *pari passu* charge on assets of the Issuer have been obtained from the earlier creditors. Further details pertaining to the Security shall be more particularly specified in the Bond Trust cum Mortgage Deed.
Nature of Indebtedness and Ranking/Seniority	The claims of the Bondholders shall be superior to the claims of any unsecured creditors of our Company and subject to applicable statutory and/or regulatory requirements, rank *pari passu* with other secured creditors having a first *pari passu* charge on the book debts and/or immovable property of our Company that are charged as security under this Issue.
Cross Default	As provided in the Bond Trust cum Mortgage Deed.
Transaction Documents	Transaction Documents means documents/agreements/undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to Bond Trust cum Mortgage Deed, Trustee Agreement dated July 17, 2015, CDSL Agreement dated October 16, 2007, NSDL Agreement dated November 15, 2007, Escrow Agreement dated October 19, 2015, Registrar MoU dated September 28, 2015, Consortium Agreement dated October 21, 2015 and Lead Managers MoU dated September 28, 2015. Please refer to section titled "***Material Contracts and Documents***" on page 118 of this Prospectus Tranche I.
Condition Precedent to Disbursement	N.A.
Condition Subsequent to Disbursement	As provided in Bond Trust cum Mortgage Deed.
Event of Default	As provided in Bond Trust cum Mortgage Deed.
Role and responsibilities of Trustee	As provided in Trustee Agreement/Bond Trust cum Mortgage Deed.
Terms of Payment	Full amount on Application except for ASBA Applicants.
Trading Lot	1 Bond
Governing Law and Jurisdiction	Laws of the Republic of India. The Courts of New Delhi will have exclusive jurisdiction for the purposes of this Issue.

* *With regard to Section 186(7) of the Companies Act, 2013, see general circular(No. 6/2015), dated April 9, 2015 issued by the MCA clarifying that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the prevailing yield of one year, three year, five year or ten year government security closest to the tenor of the loan, there is no violation of Section 186(7) of the Companies Act, 2013.*

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.

^ *Our Company will make public issue of the Bonds in the dematerialised and physical form. However, in terms of Section 8 (1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request. However, trading in Bonds shall be compulsorily in dematerialized form.*

TERMS AND CONDITIONS IN CONNECTION WITH THE BONDS

Nature of the Bonds

The Bonds being issued are in form of Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures of face value of ₹ 1,000 each having tax benefits under Section 10 (15) (iv) (h) of the Income Tax Act, 1961, to be issued by our Company in terms of the Shelf Prospectus and Prospectus Tranche I. The Bonds shall bear a fixed rate of interest, as set out in this Prospectus Tranche I.

The specific terms of Bonds are set out below:

Options	**Series of Bonds***		
	For Category I, II & III#		
	Tranche I Series 1A	**Tranche I Series 2A**	**Tranche I Series 3A**
Coupon rate (%) p.a.	6.89 %	7.09%	7.18%
Annualised yield (%) p.a.	6.89%	7.09%	7.18%
	For Category IV only#		
	Tranche I Series 1B	**Tranche I Series 2B**	**Tranche I Series 3B**
Coupon rate (%) p.a.	7.14%	7.34%	7.43%
Annualised yield (%) p.a.	7.14%	7.34%	7.43%

For Category I, II, III# and IV#			
Frequency of interest payment	Annual	Annual	Annual
Minimum Application size	5 Bonds (₹ 5,000) (individually or collectively, across all Series of Bonds) in the multiple of One Bond (₹ 1000) thereafter	5 Bonds (₹ 5,000) (individually or collectively, across all Series of Bonds) in the multiple of One Bond (₹ 1000) thereafter	5 Bonds (₹ 5,000) (individually or collectively, across all Series of Bonds) in the multiple of One Bond (₹ 1000) thereafter
In multiples of	In the multiple of One Bond (₹ 1,000) thereafter	In the multiple of One Bond (₹ 1,000) thereafter	In the multiple of One Bond (₹ 1,000) thereafter
Face value	₹ 1,000 per Bond.	₹ 1,000 per Bond.	₹ 1,000 per Bond.
Issue price	₹ 1,000 per Bond.	₹ 1,000 per Bond.	₹ 1,000 per Bond.
Tenor	10 years.	15 years.	20 years.
Coupon Type	Fixed coupon rate	Fixed coupon rate	Fixed coupon rate
Redemption Date	10 years from the Deemed Date of Allotment.	15 years from the Deemed Date of Allotment.	20 years from the Deemed Date of Allotment.
Redemption Amount (₹/Bond)	Repayment of the face value along with any interest that may have accrued at the Redemption Date.	Repayment of the face value along with any interest that may have accrued at the Redemption Date.	Repayment of the face value along with any interest that may have accrued at the Redemption Date.

* *Our Company shall allocate and allot Tranche I Series 1A/ Series 1B (depending upon the category of applicants) to all valid applications, wherein the Applicants have not indicated their choice of the relevant Series of Bond.*

\# *In pursuance of CBDT Notification and for avoidance of doubts, it is clarified as under:*

a. *The coupon rates indicated under Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B shall be payable only on the Portion of Bonds allotted to RIIs in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under RII Category viz Category IV.*

b. *In case the Bonds allotted against Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B are transferred by RIIs to Non-RIIs viz, Institutions, Corporates and/or High Networth Individuals, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A respectively.*

c. *If the Bonds allotted against Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B are sold/ transferred by the RIIs to investor(s) who fall under the RII category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;*

d. *Bonds allotted against Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B shall continue to carry the specified coupon rate if on the Record Date for payment of interest, such Bonds are held by investors falling under RII Category;*

e. *If on any Record Date, the original RII allotee(s)/ transferee(s) hold the Bonds under Tranche I Series IA, Tranche I Series IB, Tranche I Series 2A, Tranche I Series 2B, Tranche I Series 3A, Tranche I Series 3B for an aggregate face value amount of over ` 10 lacs, then the coupon rate applicable to such RII allottee(s)/transferee(s) on Bonds under Tranche I Series 1B, Tranche I Series 2B, Tranche I Series*

3B shall stand at par with coupon rate applicable on Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A respectively;

f. Bonds allotted under Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A shall carry coupon rates indicated above till the respective maturity of Bonds irrespective of Category of holder(s) of such Bonds;

g. For the purpose of classification and verification of status of the RII Category of Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds allotted under the Tranche – I Issue shall be clubbed and taken together on the basis of PAN.

The MCA has, through its circular (General Circular No. 06/2015) dated April 09,2015,clarified that in such cases wherein the effective yield (effective rate of return) on the bonds is greater than the prevailing yield of one year; three year; five year or ten year Government Security closest to the tenor of theloan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.

Participation by any of the Investor classes in the Tranche I Issue will be subject to applicable statutory and/or regulatory requirements; Applicants made by them do not exceed the investment limits or maximum number of Bonds that can be held under applicable statutory and/or regulatory provisions.

Terms of Payment

The entire face value per Bond is payable on Application (except in case of ASBA Applicants). In case of ASBA Applicants, the entire amount of face value of Bonds applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of Bonds than applied for, our Company shall refund the amount paid on Application to the Applicant, in accordance with the terms of the Shelf Prospectus and respective Prospectus Tranche I.

TERMS OF THE ISSUE

The Bonds being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the Companies Act, CBDT Notification, the terms of the Shelf Prospectus, Prospectus Tranche I, the Application Form, the terms and conditions of the Trustee Agreement, Bond Trust cum Mortgage Deed and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the GoI, BSE, RBI, RoC and/or other statutory/regulatory authorities relating to the offer, Issue and listing of securities and any other documents that may be executed in connection with the Bonds.

1) Authority for the Issue

In pursuance of CBDT Notification, our Company is authorised to raise a minimum of 70% of the allocated limit by way of various tranche(s) of public issue. Our Company has raised an amount aggregating to ₹ 300 crore, equivalent to 30% of the allocated limit, through private placement route. Our Company shall ensure that Bonds issued through public issue route and private placement route in the Fiscal 2016 shall together not exceed the allocated limit.

This Tranche I Issue by the Company is of Bonds for an amount of ₹ 300 crores with an option to retain oversubscription upto ₹ 400 crores, aggregating upto ₹ 700 crores.

The Board at its meeting held on August 7, 2015, approved the Issue of the Bonds for an amount aggregating upto ₹ 1,000 crore in one or more Tranches during the Fiscal 2016, which is within the borrowing powers of our Company under Section 180(1)(c) of the Companies Act, duly approved by the shareholders, *vide* shareholder's resolution dated June 10, 2014. Thus, our Company is authorized to issue Bonds pursuant to the Issue.

2) Terms and Conditions of the Issue

The terms and conditions of the Issue of Bonds are subject to the Companies Act, SEBI Debt Regulations, Income Tax Act, the Debt Listing Agreement to be entered into by our Company with BSE ("**Debt Listing Agreement**"), CBDT Notification, the Shelf Prospectus, the Prospectus Tranche I, the Application Form, the Abridged Prospectus and any terms and conditions as may be incorporated in the Bond Trust Deed entered/to be entered into between our Company and the Trustee, as well as rules, regulations, guidelines, notifications and any statutory modifications or re-enactments including those issued by the GoI, SEBI, the RBI, the Stock Exchanges and/or other authorities relating to the offer, issue and listing of securities and other documents that may be executed in respect of the Bonds.

3) Ranking of Bonds

3.1. The Bonds are being issued as Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures of face value of ₹ 1,000 each having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, 1961 for an amount aggregating upto ₹ 700 crore during the Fiscal 2016 in one or more tranches. This Tranche I Issue by the Company is of Bonds for an amount of ₹ 300 crores with an option to retain oversubscription upto ₹ 400 crores, aggregating upto ₹ 700 crores.

3.2. The Bonds shall be secured pursuant to a Bond Trust cum Mortgage Deed and underlying security documents. The Bondholders are entitled to the benefit of the Bond Trust cum Mortgage Deed and are bound by and are deemed to have notice of all the provisions of the Bond Trust cum Mortgage Deed. Our Company is issuing the Bonds in accordance with the CBDT Notification.

3.3. The Bonds issued by our Company will be secured by way of first/*pari passu* charge on the book debts and/or immovable property of our Company, other than those that are exclusively charged/earmarked to any trustee/lender(s) of our Company, and/or any other security as may be agreed between our Company and the Trustee, pursuant to the terms of the Bond Trust cum Mortgage Deed with a minimum security cover of one time of the aggregate face value amount of Bonds outstanding at all times and interest thereon outstanding at all times till the currency of the Bonds.

3.4. The claims of the Bondholders shall be superior to the claims of any unsecured creditors, and shall rank *pari passu* with other secured creditors having a first *pari passu* charge on the book debts and/or immovable property of our Company that are charged as security under this Issue.

4) Form, Face Value, Title and Listing etc.

4.1. **Form of Allotment**

The Allotment of the Bonds shall be in a dematerialised or physical form to Applicants. Our Company has made depository arrangements with CDSL and NSDL for issuance of the Bonds in dematerialised form, pursuant to the tripartite agreement dated October 16, 2007 among REC, CDSL and the Registrar to the Issue ("**CDSL Agreement**") and the tripartite agreement dated November 15, 2007 among REC, NSDL and the Registrar to the Issue ("**NSDL Agreement**") (collectively, **"Tripartite Agreements"**).

Our Company shall take necessary steps to credit the Depository Participant account of the Applicants with the number of Bonds Allotted. The Bondholders shall deal with the Bonds in accordance with the provisions of the Depositories Act, 1996 ("**Depositories Act**") and/or rules as notified by the Depositories from time to time.

4.2. The Bondholders may rematerialize the Bonds held in dematerialised form, at any time after Allotment, in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

4.3. In case of Bonds held in physical form, on Allotment or on rematerialization of Bonds Allotted in dematerialised form, our Company will issue one certificate for each Series of the Bonds to the Bondholder for the aggregate amount of the Bonds that are held by such Bondholder (each such certificate, a "**Consolidated Bond Certificate**"). In respect of the Consolidated Bond Certificate(s), our Company will, on receipt of a request from the Bondholder within 30 days of such request, split such Consolidated Bond Certificate(s) into smaller denominations in accordance with the applicable regulations/rules/Act, subject to a minimum denomination of one Bond. No fees will be charged for splitting any Consolidated Bond Certificate(s) and any stamp duty, if payable, will be paid by the Bondholder. The request to split a Consolidated Bond Certificate shall be accompanied by the original Consolidated Bond Certificate(s) which will, on issuance of the split Consolidated Bond Certificate(s), be cancelled by REC.

4.4. **Face Value**

The face value of each Bond is ₹ 1,000.

4.5. **Title**

4.5.1 In case of:

i) Bonds held in the dematerialised form, the person for the time being appearing in the Register of beneficial owners maintained by the Depositories;

ii) Bonds held in physical form, the person for the time being appearing in the Register of Bondholders maintained by REC/Registrar,

shall be treated for all purposes by REC, the Trustee, the Depositories and all other persons dealing with such persons as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated Bond Certificate issued in respect of the Bonds and no person will be liable for so treating the Bondholder.

4.5.2 No transfer of title of a Bond will be valid unless and until entered on the Register of Bondholders or the register of beneficial owners, maintained by the Depositories and/or our

Company or the Registrar to the Issue prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the list of beneficial owners, Register of Bondholders maintained by the Depositories and/or our Company and/or the Registrar to the Issue, as the case may be. In such cases, claims, if any, by the purchasers of the Bonds will need to be settled with the seller of the Bonds and not with our Company or the Registrar or Depositories to the Issue.

4.6. **Listing**

The Bonds will be listed on BSE. The Designated Stock Exchange for the Issue is BSE. Our Company has received the in-principle approval vide letter no. DCS/SJ/PI-BOND/08/15-16 dated October 20, 2015 from the Designated Stock Exchange for the Issue. Application will be made to the BSE for permission to deal in and for an official quotation of our Bonds. If permission to deal in and for an official quotation of the Bonds is not granted by the Stock Exchange, our Company will forthwith repay, without interest, all monies received from the Applicants in pursuance of the Prospectus Tranche I. If such money is not repaid within eight days after our Company becomes liable to repay it, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the applicable rate on Application money, as prescribed under the Companies Act.

4.7. **Market Lot**

4.7.1. The Bonds shall be Allotted in dematerialised form to all Applicants and in physical form to Applicants. As per the SEBI Debt Regulations, the trading of the Bonds shall be in dematerialised form only. Since, the trading of Bonds is in dematerialised form, tradable lot is one Bond ("**Market Lot**").

4.7.2. For details of Allotment, please refer "***Issue Structure***" beginning on page 57 of this Prospectus Tranche I.

4.8. **Procedure for Rematerialisation of Bonds**

Bondholders who wish to hold the Bonds in physical form, after having Allotted Bonds in dematerialised form may do so by submitting a request to their Depository Participant, in accordance with the applicable procedure stipulated by the Depository Participant.

5) Transfer of the Bonds, Issue of Consolidated Bond Certificates, etc.

5.1. **Register of Bondholders**

Our Company shall maintain at its registered office or such other place as permitted by section 94 of the Companies Act, 2013 a Register of Bondholders containing such particulars of the legal owners of the Bonds held in physical form. Further, in accordance with Section 88 of the Companies Act, the register of beneficial owners maintained by Depositories for any Bonds in dematerialised form under Section 11 of the Depositories Act shall also be deem to be a Register of Bondholders for this purpose.

5.2. **Transfers**

5.2.1 ***Transfer of Bonds held in dematerialised form:***

In respect of Bonds held in the dematerialised form, transfer of the Bonds may be effected, only through the Depositories where such Bonds are held, in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time. The seller of the Bonds shall give delivery instructions containing details of the buyer's Depository Participant's beneficiary account to his Depository Participant. In case the buyer does not have a Depository Participant, the seller of the Bond can re-materialise the Bonds and thereby convert his dematerialised holding into physical holding. Thereafter the Bonds can be transferred in the manner as stated in point 4.2.2 below.

5.2.2 ***Transfer of Bonds in physical form:***

The Bonds may be transferred by way of a duly executed transfer deed or other suitable instrument of transfer as may be prescribed by our Company for the registration of transfer of Bonds. Buyers of Bonds are advised to send the Consolidated Bond Certificate to our Company or to such persons as may be notified by our Company from time to time. If a buyer of the Bonds in physical form intends to hold the Bonds in dematerialised form, the Bonds may be dematerialised by the buyer through his or her Depository Participant in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

The buyer(s) should ensure that the transfer formalities are completed prior to the Record Date, failing which the interest and/or Maturity Amount for the Bonds shall be paid to the person whose name appears in the Register of Bondholders maintained by the Depositories. In such cases, any claims shall be settled inter se between the parties and no claim or action shall be brought against our Company or the Lead Managers or the Registrar to the Issue.

5.3. **Formalities Free of Charge**

Registration of a transfer of Bonds and issuance of new Consolidated Bond Certificates will be effected without charge by or on behalf of REC, but on payment (or the giving of such indemnity as our Company may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer, and our Company being satisfied that the requirements concerning transfers of Bonds, have been complied with.

5.4 **Debenture Redemption Reserve (“DRR”)**

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act, 2013 any company that intends to issue debentures shall create a DRR to which adequate amounts shall be credited out of the profits of our Company until the redemption of the debentures. Further, the Ministry of Company Affairs (“**MCA**”) has, through its circular dated February 11, 2013, specified that NBFCs shall create a DRR to the extent of 25% of the value of the debentures issued through public issue. Accordingly, our Company shall create DRR of 25% of the value of Bonds issued and Allotted in terms of the Prospectus Tranche I, or such a percentage as may be required under the relevant law as amended from time to time, for the redemption of the Bonds. Our Company shall credit adequate amounts to the DRR from its profits every year until the Bonds are redeemed. The amounts credited to the DRR shall not be utilised by our Company for any purpose other than for the redemption of the Bonds.

6. Application Amount

The Bonds are being issued at par and full amount of face value per Bond is payable on Application. In case of ASBA Applicants, the full amount of face value of Bonds applied for will be blocked in the relevant ASBA Account maintained with the SCSB. Eligible Applicants can apply for any amount of the Bonds subject to a minimum Application size as mentioned in the respective Prospectus Tranche I, in any of the Series(s) or a combination thereof. The Applicants will be Allotted the Bonds in accordance with the Basis of Allotment finalised by the Board of Directors/ Bond Committee in consultation with the Designated Stock Exchange.

7. Deemed Date of Allotment

Deemed Date of Allotment shall be the date on which the Board of Directors or Bond Committee of our Company approves the Allotment of the Bonds for Tranche I Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Designated Stock Exchange. The actual Allotment of Bonds may take place on a date other than the Deemed Date of Allotment. All benefits under the Bonds including payment of interest will accrue to the Bondholders from the Deemed Date of Allotment. Actual Allotment may occur on a date other than the Deemed Date of Allotment.

8. Subscription

8.1 **Period of Subscription**

The Issue shall remain open for the period mentioned below:

Issue Opens on	October 27, 2015
Issue Closes on	November 4, 2015

The subscription list for the Issue shall remain open for subscription, from 10:00 A.M. to 5:00 P.M during the period indicated above, with an option for early closure or extension, as may be decided by the Board of Directors or the Bond Committee. On the Issue Closing Date the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by BSE. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the Tranche Issue Closing Date, as the case may be, through advertisement/s in at least one leading national daily newspaper with wide circulation.

8.2 **Underwriting**

The Issue is not underwritten.

8.3 **Minimum Subscription**

In terms of SEBI Circular no. CIR/IMD/DF/12/2014 dated June 17, 2014, our Company is exempted from the requirement of receiving minimum subscription in the proposed Issue.

9. Interest

9.1. **Interest**

For Bondholders falling under Category I, II and III, the Bonds under Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A shall carry interest at the coupon rate of 6.89 % p.a., 7.09 % p.a. and 7.18 % p.a. respectively payable from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, as per the "Interest Payment Date" mentioned in the illustration of cash flows on page 69 of Tranche Prospectus I, to the Bondholders as of the relevant Record Date. The effective yield to Category I, II and III Bondholders would be 6.89 % p.a., 7.09 % p.a. and 7.18 % p.a. for the Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A respectively.

For Bondholders falling under Category IV, the Bonds under Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B shall carry interest at the coupon rate of 7.14 % p.a., 7.34 % p.a. and 7.43 % p.a. respectively payable from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, as per the "Interest Payment Date" mentioned in the illustration of cash flows on page 69 of Tranche Prospectus I, to the Bondholders as of the relevant Record Date. The effective yield to Category IV Bondholders would be 7.14 % p.a., 7.34 % p.a. and 7.43 % p.a. for the Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B respectively.

The coupon rates indicated under Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B shall be payable only on the Portion of Bonds allotted to RIIs in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under RII Category viz. Category IV.

In case the Bonds allotted against Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B are transferred by RIIs to Non-RIIs viz, Institutions, Corporates and/or High Networth Individuals, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A respectively.

If the Bonds allotted against Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B are sold/ transferred by the RIIs to investor(s) who fall under the RII category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;

Bonds allotted against Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B shall continue to carry the specified coupon rate if on the Record Date for payment of interest, such Bonds are held by investors falling under RII Category;

If on any Record Date, the original RII allotee(s)/ transferee(s) hold the Bonds under Tranche I Series IA, Tranche I Series IB, Tranche I Series 2A, Tranche I Series 2B, Tranche I Series 3A, Tranche I Series 3B for an aggregate face value amount of over ₹ 10 lacs, then the coupon rate applicable to such RII allottee(s)/transferee(s) on Bonds under Tranche I Series 1B, Tranche I Series 2B, Tranche I Series 3B shall stand at par with coupon rate applicable on Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A respectively;

Bonds allotted under Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A shall carry coupon rates indicated above till the respective maturity of Bonds irrespective of Category of holder(s) of such Bonds;

For the purpose of classification and verification of status of the RII Category of Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds allotted under this Tranche – I Issue, shall be clubbed and taken together on the basis of PAN.

9.2. **Day Count Convention**

Interest will be computed on actual/actual basis on the principal outstanding on the Bonds as per the SEBI Circular bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

Effect of holidays on payments

If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon/Interest Payment Date. If the Redemption Date/Maturity Date (also being the last Coupon/Interest Payment Date) of any Series of the Bonds falls on a day that is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the Bonds until but excluding the date of such payment.

Set forth below is an illustration for guidance in respect of the day count convention and effect on holidays on payments. For the purpose of this illustration, we have considered effect of holidays on cash flows only for Series 1A and Series 1B. The effect of holidays on cash flows for the other Series of Bonds shall be similar:

Face value per Bond (In Rs.)	1,000		
Deemed Date of Allotment (assumed)	Tuesday, November 10, 2015		
Frequency of Interest payment	Annual		
Interest payment date	First Coupon/Interest Payment Date on December 28, 2015, and subsequently on December 1 of every year until the Maturity Date/Redemption Date of the Series of Bonds.		
Day count convention	Actual / Actual		
Series IA			
Coupon Rate	**6.89%**		

Tenor (no. of years)	**10**		
Number of Bonds held (assumed)	**100**		
Redemption Date/Maturity Date	**Monday, November 10, 2025**		
Cash Flows	**Payout Dates**	**No. of days in Coupon Period**	**Amount (in Rs)**
1st Coupon/Interest Payment Date	Monday, December 28, 2015	48	906.00
2nd Coupon/Interest Payment Date	Thursday, December 01, 2016	339	6,382.00
3rd Coupon/Interest Payment Date	Friday, December 01, 2017	365	6,890.00
4th Coupon/Interest Payment Date	Saturday, December 01, 2018	365	6,890.00
5th Coupon/Interest Payment Date	Monday, December 02, 2019	366	6,909.00
6th Coupon/Interest Payment Date	Tuesday, December 01, 2020	365	6,871.00
7th Coupon/Interest Payment Date	Wednesday, December 01, 2021	365	6,890.00
8th Coupon/Interest Payment Date	Thursday, December 01, 2022	365	6,890.00
9th Coupon/Interest Payment Date	Friday, December 01, 2023	365	6,890.00
10th Coupon/Interest Payment Date	Monday, December 02, 2024	367	6,909.00
11th Coupon/Interest Payment Date	Monday, November 10, 2025	343	6,475.00
Redemption of Principal	Monday, November 10, 2025		**100,000.00**
Total Cash Flows			**168,902.00**
Series IB			
Coupon Rate	**7.14%**		
Tenor (no. of years)	**10**		
Number of Bonds held (assumed)	**100**		
Redemption Date/Maturity Date	**Monday, November 10, 2025**		
Cash Flows	**Payout Dates**	**No. of days in Coupon Period**	**Amount (in Rs)**
1st Coupon/Interest Payment Date	Monday, December 28, 2015	48	939.00
2nd Coupon/Interest Payment Date	Thursday, December 01, 2016	339	6,613.00
3rd Coupon/Interest Payment Date	Friday, December 01, 2017	365	7,140.00
4th Coupon/Interest Payment Date	Saturday, December 01, 2018	365	7,140.00
5th Coupon/Interest Payment Date	Monday, December 02, 2019	366	7,160.00
6th Coupon/Interest Payment Date	Tuesday, December 01, 2020	365	7,120.00
7th Coupon/Interest	Wednesday, December	365	

Payment Date	01, 2021		7,140.00
8th Coupon/Interest Payment Date	Thursday, December 01, 2022	365	7,140.00
9th Coupon/Interest Payment Date	Friday, December 01, 2023	365	7,140.00
10th Coupon/Interest Payment Date	Monday, December 02, 2024	367	7,160.00
11th Coupon/Interest Payment Date	Monday, November 10, 2025	343	6,710.00
Redemption of Principal	Monday, November 10, 2025		**100,000.00**
Total Cash Flows			**171,402.00**

Assumptions:

1. *For the purpose of illustration, it is assumed that only Sundays are non Working Days*
2. *The Deemed Date of Allotment is assumed to be November 10, 2015*
3. *For Cash Flows under Series 1B, it is assumed that on all the Record Dates, the Bondholder falls in the Retail Individual Investor Category / Category IV and the Coupon rate remains unchanged at 7.14% p.a.*

Note:

1. *Fiscal 2016, Fiscal 2020 and Fiscal 2024, being leap years, interest payable on 2nd Coupon/Interest Payment Date, 6th Coupon/Interest Payment Date and 10th Coupon/Interest Payment Date has been calculated for 366 days as provided in "- Day Count Convention" on page 69 of this Prospectus Tranche I.*
2. *Since the 5th and 10th Coupon/Interest Payment Date is falling on a non Working Day, interest is payable on the next Working Day along with interest of one additional day.*
3. *Since the interest/coupon for an additional day was paid on 5th and 10th Coupon/Interest Payment Date, interest for one day is deducted from the interest payable on the 6th and 11th Coupon/Interest Payment Date.*
4. *The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.*

9.3. Interest on Application Money

9.3.1. Interest on Application monies received which are used towards Allotment of Bonds

Our Company shall pay interest on Application money on the amount Allotted, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act as applicable, to any Applicants to whom Bonds are Allotted pursuant to the Issue from the date of realization of the Application money through cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment, at the rate of 6.89 % p.a., 7.09 % p.a. and 7.18 % p.a. on Tranche I Series 1A,Tranche I Series 2A and Tranche I Series 3A respectively for Allottees under Category I, Category II and Category III Portion, and at the rate of 7.14 % p.a., 7.34 % p.a. and 7.43 % p.a. on Tranche I Series 1B**,** Tranche I Series 2B and Tranche I Series 3B respectively for Allottees under Category IV Portion.

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment/Allotment Advice at the sole risk of the Applicant, to the sole/first Applicant.

9.3.2 Interest on Application monies received which are liable to be refunded

Our Company shall pay interest on Application money which is liable to be refunded to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, from the date of realization of the Application money through cheque(s)/demand draft(s)/ upto one day prior to the Deemed Date of Allotment, at the rate of 5% p.a. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched/ credited (in case of electronic payment) along with the

Letter(s) of Refund at the sole risk of the Applicant, to the sole/first Applicant.

However, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid Applications or Applications liable to be rejected, and/or (b) Applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of Bonds applied for in the Application Form. For further details, please refer to "***Issue Procedure***" at page 111 of the Prospectus Tranche I.

10) Redemption

10.1 The face value of the Bonds will be redeemed at par, on the respective Maturity Dates of each of the Series of Bond as set out in the Prospectus Tranche I.

10.2 **Procedure for Redemption by Bondholders**

The procedure for redemption is set out below:

10.2.1 ***Bonds held in electronic form:***

No action is required on the part of Bondholders at the time of maturity of the Bonds.

10.2.2 ***Bonds held in physical form:***

No action will ordinarily be required on the part of the Bondholder at the time of redemption, and the Maturity Amount will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by REC/Registrar on the Record Date fixed for the purpose of redemption. However, our Company may require the Consolidated Bond Certificate(s), duly discharged by the sole holder or all the joint-holders signed on the reverse of the Consolidated Bond Certificate(s) to be surrendered for redemption on Maturity Date and sent by the Bondholders by registered post with acknowledgment due or by hand delivery to the Registrar to the Issue or our Company or to such persons at such addresses as may be notified by our Company from time to time. Bondholders may be requested to surrender the Consolidated Bond Certificate(s) in the manner stated above, not more than three months and not less than one month prior to the Maturity Date so as to facilitate timely payment.

11) Payments

11.1 **Payment of Interest on Bonds**

Payment of interest on the Bonds will be made to those Bondholders whose name appears first in the Register of Bondholders maintained by the Depositories and/or our Company and/or the Registrar to the Issue, as the case may be, as on the Record Date.

11.2 **Record Date**

The record date for the payment of interest or the Maturity Amount shall be 15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption Date for Bonds issued under the Prospectus Tranche I ("**Record Date**"). In the event the Record Date falls on a Sunday or a holiday of the Depositories, the succeeding Working Day or a date notified by our Company to the stock exchanges, shall be considered as the Record Date.

11.3 **Effect of holidays on payments**

If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon/Interest Payment Date. If the

Redemption Date/Maturity Date (also being the last Coupon/Interest Payment Date) of any Series of the Bonds falls on a day that is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the Bonds until but excluding the date of such payment.

11.4. Whilst our Company will use the electronic mode for making payments, however where facilities for electronic mode of payments are not available to the Bondholder or where the information provided by the Applicant is insufficient or incomplete, our Company proposes to use other modes of payment to make payments to the Bondholders, including through the dispatch of cheques through courier, or registered post to the address provided by the Bondholder and appearing in the Register of Bondholders maintained by the Depositories and/or our Company and/or the Registrar to the Issue, as the case may be as, on the Record Date. In the case of payment on maturity being made on surrender of the Consolidated Bond Certificate(s), our Company will make payments or issue payment instructions to the Bondholders within 30 days from the date of receipt of the duly discharged Consolidated Bond Certificate(s). Our Company shall pay interest in accordance with the applicable laws over and above the coupon rate of the relevant Series of Bond, in the event that such payments are delayed beyond a period of eight days after our Company becomes liable to pay such amounts.

11.5 REC's liability to the Bondholders including for payment or otherwise shall stand extinguished from the Maturity Date and on dispatch of the amounts paid by way of principal and/or interest to the Bondholders. Further, our Company will not be liable to pay any interest, income or compensation of any kind accruing subsequent to the Maturity Date.

12. Manner and Mode of Payment

12.1 **Manner of Payment:**

All payments to be made by our Company to the Bondholders shall be made in any of the following manners:

12.1.1 ***For Bonds applied or held in dematerialised form:***

The bank details will be obtained from the Depositories for payments. Investors who have applied or who are holding the Bond in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of the payments to Investors at their sole risk and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for such delays on part of the Investors.

12.1.2 ***For Bonds held in physical form***

The bank details will be extracted from the Application or cheque copy attached.

12.2 **Modes of Payment**

All payments to be made by our Company to the Bondholders shall be made through any of the following modes:

12.2.1 ***Direct Credit***

Applicants having bank accounts with the Refund Bank, as per the Demographic Details received from the Depositories shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank for the same would be borne by REC.

12.2.2 ***NECS***

Through NECS for Applicants having an account at any of the centres notified by the RBI. This mode of payment will be subject to availability of complete bank account details including the Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf, from the Depositories.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the process in time.

12.2.3 ***Real Time Gross Settlement ("RTGS")***

Applicants having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose payment amount exceeds ₹ 2 lacs shall be eligible to receive refund through RTGS, provided the Demographic Details received from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Charges, if any, levied by the Refund Bank for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

12.2.4 ***National Electronic Fund Transfer ("NEFT")***

Payment of refund shall be undertaken through NEFT wherever the Applicants' bank branch is NEFT enabled and has been assigned the IFSC, which can be linked to an MICR code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. Wherever the Applicants have registered their MICR number and their bank account number while opening and operating the beneficiary account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to the Applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency and the past experience of the Registrar to the Issue. In the event NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed in this section.

12.2.5 ***Cheques or Demand drafts***

By cheques or demand drafts made in the name of the Bondholders whose names appear in the Register of Bondholders as maintained by our Company and/or as provided by the Depositories. All cheques or demand drafts as the case may be, shall be sent by registered/speed post at the Bondholder's sole risk.

12.3 **Printing of Bank Particulars**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be provided for printing on the orders/warrants. Applications without these details are liable to be rejected. However, in relation to Bonds applied for and held in dematerialised mode, these particulars will be taken directly from the Depositories. In case of Bonds held in physical form either on account of Allotment, or rematerilisation, the Bondholders are advised to submit their bank account details with the Registrar to the Issue before the Record Date, failing which the amounts will be dispatched to the postal address of the Bondholders at the sole risk of the Bondholders. Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

13. Special Tax Benefit

For the details of tax benefits, please refer to chapter ***"Statement of Tax Benefits"*** on page 29 of this Prospectus Tranche I.

14. Taxation

The Bonds are tax free in nature and the interest on the Bonds will not form part of the total income. For further details, please refer to chapter ***"Statement of Tax Benefits"*** on page 29 of this Prospectus Tranche I.

15. Security

The Bonds issued by our Company will be secured by way of first / *pari passu* charge on the book debts and/or immovable property of our Company, other than those that are exclusively charged/earmarked to any trustee/lender(s) of our Company, and/or any other security as may be agreed between our Company and the Trustee, pursuant to the terms of the Bond Trust cum Mortgage Deed with a minimum security cover of one time of the aggregate face value amount of Bonds outstanding at all times and interest thereon outstanding at all times till the currency of the Bonds. The permissions or consent to create *pari passu* charge on assets of the Issuer have been obtained from the earlier creditors.

The Security for the Bonds issued by our Company shall be secured on the date of Issue and if not so created, the same shall be created within three months from the closure of the Tranche I Issue.

16. Events of Default

16.1 The Trustee at its discretion may, or if so requested in writing by the holders of not less than 75% in principal amount of the Bonds then outstanding or if so directed by a Special Resolution shall (subject to being indemnified and/or secured by the Bondholders to its satisfaction), give notice to our Company specifying that the Bonds and/or any particular Series of Bonds, in whole but not in part are and have become due and repayable at the early Redemption Amount on such date as may be specified in such notice *inter alia* if any of the events listed in 16.2 below occur.

16.2 The complete list of events of default shall be as specified in the Bond Trust cum Mortgage Deed.

16.3 The early Redemption Amount payable on the occurrence of an Event of Default shall be as detailed in the Bond Trust cum Mortgage Deed.

16.4 If an Event of Default occurs which is continuing, the Trustee may with the consent of the Bondholders, obtained in accordance with the provisions of the Bond Trust cum Mortgage Deed, and with a prior written notice to REC, take action in terms of the Bond Trust cum Mortgage Deed.

16.5 In case of default in the redemption of Bonds, in addition to the payment of interest and all other monies payable hereunder on the respective due dates, our Company shall also pay interest on the defaulted amounts.

17. Bondholder's Rights, Nomination etc.

17.1 **Rights of Bondholders**

Some of the significant rights available to the Bondholders are as follows:

a) Bondholder not a shareholder: The Bondholders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company.

b) The Bonds shall not, except as provided in the Companies Act, confer on Bondholders any rights or privileges available to members of our Company including the right to receive notices or annual reports of, or to attend and / or vote, at our Company's general meeting(s). However, if any resolution affecting the rights of the Bondholders is to be placed before the shareholders, such resolution will first be placed before the concerned registered Bondholders for their consideration. In terms of Section 136 of the

Companies Act, 2013 Bondholders shall be entitled to a copy of the balance sheet on a specific request made to our Company.

c) The rights, privileges and conditions attached to the Bonds may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a Special Resolution passed at a meeting of the concerned Bondholders, provided that nothing in such consent or resolution shall be operative against REC, where such consent or resolution modifies or varies the terms and conditions governing the Bonds, if modification, variation or abrogation is not acceptable to REC.

d) The registered Bondholder or in case of joint-holders, the person whose name stands first in the Register of Bondholders shall be entitled to vote in respect of such Bonds, either by being present in person or, where proxies are permitted, by proxy, at any meeting of the concerned Bondholders summoned for such purpose and every such Bondholder shall be entitled to one vote on a show of hands and on a poll, his or her voting rights shall be in proportion to the outstanding nominal value of Bonds held by him or her on every resolution placed before such meeting of the Bondholders.

e) Bonds may be rolled over with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a Special Resolution passed at a meeting of the concerned Bondholders after providing at least 21 days prior notice for such roll-over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the Bonds of all the Bondholders, who have not given their positive consent to the roll-over.

The above rights of Bondholders are merely indicative. The final rights of the Bondholders will be as per the terms of the Shelf Prospectus, Prospectus Tranche I and Bond Trust cum Mortgage Deed.

Special Resolution for the purpose of this section is a resolution passed at a meeting of Bondholders of at least three-fourths of the outstanding amount of the Bonds, present and voting.

17.2 **Succession**

Where Bonds are held in joint names and if one of the joint holders dies, the survivor(s) will be recognised as the Bondholder(s) in accordance with the applicable laws. It will be sufficient for our Company to delete the name of the deceased Bondholder after obtaining satisfactory evidence of his death, provided that a third person may call upon our Company to register his name as successor of the deceased Bondholder after obtaining evidence such as probate of a will for the purpose of proving his title to the Bonds. In the event of demise of the sole or first holder of the Bonds, our Company will recognise the executors or administrator of the deceased Bondholders, or the holder of the succession certificate or other legal representative as having title to the Bonds only if such executor or administrator obtains and produces probate of will or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The Board of Directors of our Company in their absolute discretion may, in any case, dispense with production of probate of will or letter of administration or succession certificate or other legal representation.

17.3 **Nomination Facility to Bondholder**

17.3.1 In accordance with Section 72 of the Companies Act, the sole Bondholder or first Bondholder, along with other joint Bondholders [being individual(s)] may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Bond(s). A person, being a nominee, becoming entitled to the Bond by reason of the death of the Bondholders, shall be entitled to the same rights to which he will be entitled if he was the a registered holder of the Bond. Where the nominee is a minor, the Bondholders may make a nomination to appoint any person to become entitled to the Bond(s), in the event of his death, during the minority. A nomination shall stand rescinded on sale of a Bond by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the Bond is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the Bondholders. Fresh nominations can be made only in the prescribed form available on request at REC's registered office or at such other addresses as may be notified by REC.

17.3.2 The Bondholders are advised to provide the specimen signature of the nominee to our Company to expedite the transmission of the Bond(s) to the nominee in the event of demise of the Bondholders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

17.3.3 In accordance with Section 72 of the Companies Act, any person who becomes a nominee under any applicable laws shall on the production of such evidence as may be required by REC's Board, as the case may be, elect either:

(a) to register himself or herself as the holder of the Bonds; or

(b) to make such transfer of the Bonds, as the deceased holder could have made.

17.3.4 Notwithstanding anything stated above, Applicants who are Allotted Bonds in dematerialised form need not make a separate nomination with REC. Nominations registered with the respective Depository Participant of the Bondholder will prevail. If the Bondholders require change in their nomination, they are requested to inform their respective Depository Participant. For Applicants who hold the Bonds in physical form, the Applicants are required to fill in the details for 'nominees' as provided in the Application Form.

17.3.5 Further, the Board of Directors or Bond Committee, as the case may be, may at any time give notice requiring any nominee of the deceased holder to choose either to be registered himself or herself or to transfer the Bonds, and if the notice is not complied with, within a period of 90 days, the Board of Directors/Bond Committee, as the case may be, may thereafter withhold payment of all interests or other monies payable in respect of the Bonds, until the requirements of the notice have been complied with.

18. Trustee

18.1 Our Company has appointed SBICAP Trustee Company Limited to act as the Trustee for the Bondholders. Our Company shall enter into a Bond Trust cum Mortgage Deed with the Trustee, the terms of which will govern the appointment and functioning of the Trustee and shall specify the powers, authorities and obligations of the Trustee. Under the terms of the Bond Trust cum Mortgage Deed, our Company will covenant with the Trustee that it will pay the Bondholders the principal amount on the Bonds on the relevant Maturity Date and also that it will pay the interest due on Bonds on the rate specified in the Prospectus Tranche I.

18.2 The Bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Bondholders. Any payment made by our Company to the Trustee on behalf of the Bondholders shall discharge our Company *protanto* to the Bondholders. All the rights and remedies of the Bondholders shall vest in and shall be exercised by the Trustee without reference to the Bondholders. No Bondholder shall be entitled to proceed directly against our Company unless the Trustee, having become so bound to proceed, failed to do so.

18.3 The Trustee will protect the interest of the Bondholders in the event of default by our Company in regard to timely payment of interest and repayment of principal and it will take necessary action at REC's cost. Further, the Trustee shall ensure that the assets of our Company are sufficient to discharge the principal amount at all time under this Issue.

19. Redemption prior to Maturity

The Company may, subject to applicable laws, redeem the Bonds prior to maturity.

20. Miscellaneous

20.1 **Loan against Bonds**

The Bonds can be pledged or hypothecated for obtaining loans from lending institutions in accordance with the applicable policy of the lending institution subject to compliance with the applicable laws.

20.2 **Lien**

Our Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the Bondholder or deposits held in the account of the Bondholder, whether in single name or joint name, to the extent of all outstanding dues by the Bondholder to REC.

20.3 **Lien on Pledge of Bonds**

Subject to applicable laws, REC, at its discretion, may note a lien on pledge of Bonds if such pledge of Bond is accepted by any bank, institution or others for any loan provided to the Bondholder against pledge of such Bonds as part of the funding.

20.4 **Joint-holders**

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to applicable laws.

20.5 **Sharing of Information**

Our Company may, at its option, use its own, as well as exchange, share or part with any financial or other information about the Bondholders available with REC, its SPVs and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither our Company nor its SPVs and affiliates nor their agents shall be liable for use of the aforesaid information.

20.6 **Notices**

All notices to the Bondholders required to be given by our Company or the Trustee shall be published in one national daily newspaper having wide circulation and/or, will be sent by post/courier to the registered Bondholders from time to time, only to Applicants that have provided a registered address in India.

20.7 **Issue of Duplicate Consolidated Bond Certificate(s)**

If any Consolidated Bond Certificate is mutilated or defaced it may be replaced by our Company against the surrender of such Consolidated Bond Certificates, provided that where the Consolidated Bond Certificates are mutilated or defaced, they will be replaced only if the certificate numbers and the distinctive numbers are legible.

If any Consolidated Bond Certificate is destroyed, stolen or lost the non-production of proof thereof to the Issuer's satisfaction and on furnishing such indemnity/security and/or documents as we may deem adequate, duplicate Consolidated Bond Certificate(s) shall be issued.

The above requirement may be modified from time to time as per applicable law and practice.

20.8 **Future Borrowings**

Our Company shall be entitled at any time in the future during the term of the Bonds or thereafter to borrow or raise loans or create encumbrances or avail of financial assistance in any form, and also to issue promissory notes or Bonds or any other securities in any form, manner, ranking and denomination whatsoever and to any eligible persons whatsoever, subject to applicable consent, approvals or permission that may be required under any statutory/regulatory/contractual requirement and to change its capital structure including through the issue of shares of any class, on such terms and conditions as our Company may deem appropriate, without requiring the consent of, or intimation to, the Bondholders or the Trustee in this connection, subject to the security cover for the Bonds being 100% of the principal outstanding on the Bonds and the interest thereon at all points of time during their tenor. Any further security created by our Company on the Security for the Bonds will be effected in the manner specified in the Bond Trust cum Mortgage Deed.

20.9 **Jurisdiction**

The Bonds, the Bond Trust cum Mortgage Deed and other relevant documents shall be governed by and construed in accordance with the laws of India. For the purpose of this Issue and any matter related to or ancillary to the Issue the Courts of New Delhi, India shall have exclusive jurisdiction.

20.10 **Guarantee/ Letter of Comfort**

This Tranche I Issue is not backed by a guarantee or letter of comfort or any other and/or letter with similar intent.

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants and Applicants making Direct Online Applications using the Online Payment Facility of the stock exchange(s) should note that the ASBA and the Direct Online Applications processes involve Application procedures which may be different from the procedures applicable to Applicants who apply for Bonds through any of the other modes, and accordingly should carefully read the provisions applicable to ASBA and Direct Online Applications hereunder. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount shall be blocked by the Designated Branches of the SCSBs.

*ASBA Applicants should note that they may submit their ASBA Applications to the Members of the Syndicate or Trading Members of the stock exchange(s) only in the Specified Cities or directly to the Designated Branches of the SCSBs. Applicants other than direct ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members of the stock exchange(s) at the centres mentioned in the Application Form or make Direct Online Applications using the Online Payment Facility of the stock exchange(s). For further information, please refer to the section "**Submission of Completed Application Forms**" in the chapter "**Issue Procedure**" on page 99 of this Prospectus Tranche I.*

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investments limits or maximum number of Bonds that can be held by them under applicable law or as specified in this Tranche Prospectus I.

Please note that the provisions contained in this section have been prepared on the basis of Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI. The following Issue procedure is subject to the Stock Exchange putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to submission of Direct Online Applications through the online platform and Online Payment Facility to be offered by stock exchange(s) and accordingly is subject to any further clarification(s), notification(s), modification(s), direction(s), instruction(s) and/or correspondence that may be issued by the Stock Exchange(s) and/or SEBI. Specific attention is drawn to the Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013 issued by SEBI, which amends the provisions of Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

The information below is given for the benefit of the Investors. Our Company, the Registrar to the Issue and the Lead Managers shall not be liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Shelf Prospectus.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE(S) WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ONLINE APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE(S) WILL NEED TO APPROACH THE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE(S).

PLEASE NOTE THAT AS PER PARA 4 OF SEBI CIRCULAR NO. CIR/CFD/DIL/12/2012 DATED SEPTEMBER 13, 2012, FOR MAKING APPLICATIONS BY BANKS ON OWN ACCOUNT USING ASBA FACILITY, SCSBS SHOULD HAVE A SEPARATE ACCOUNT IN OWN NAME WITH ANY OTHER SEBI REGISTERED SCSB/S. ONLY SUCH ACCOUNT SHALL BE USED FOR THE PURPOSE OF MAKING APPLICATION IN PUBLIC ISSUES AND CLEAR DEMARCATED FUNDS SHOULD BE AVAILABLE IN SUCH ACCOUNT FOR ASBA APPLICATIONS.

THE LEAD MANAGERS, THE MEMBERS OF THE CONSORTIUM AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITY OF SUCH TRADING MEMBERS IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ONLINE APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE(S).

FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVEST OR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE(S).

PROCEDURE FOR APPLICATION

Availability of Shelf Prospectus, Abridged Prospectus, Prospectus Tranche I and Application Forms.

Please note that there is a single Application Form for ASBA as well as non ASBA Applicants who are Persons Resident in India. There is a separate Application Form for NRI Applicants (ASBA Applicants and non-ASBA Applicants), applying for the Bonds on non repatriation basis.

Physical copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus and Prospectus Tranche I for the respective Tranche Issue together with Application Forms may be obtained from:

(a) Company's Registered and Corporate Office;
(b) Offices of the Lead Managers;
(c) Offices of the Consortium Members;
(d) Offices of the Trading Members of the Stock Exchange(s); and
(e) Designated Branches of the SCSBs.

Online Application Forms will be available on the websites of the stock exchange(s) and on the websites of Lead Managers at www.akcapindia.com, www.rrfinance.com or www.rrfcl.com and www.edelweissfin.com, the SCSBs that permit submission of ASBA Applications electronically. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, online demat account portals may also provide the facility of submitting the Application Forms online to their account holders.

Physical copies of the Shelf Prospectus and Prospectus Tranche I can be obtained from our Company's Registered and Corporate Office, as well as offices of the Lead Managers. Electronic copies of the Shelf Prospectus and Prospectus Tranche I shall be available on the website of the Lead Managers, the Stock Exchange, SEBI and the SCSBs.

Physical copies of the Shelf Prospectus, Prospectus Tranche I and Application Form shall, on a request being made by any Applicant before the Issue Closing Date, be furnished to such Applicant at our Company's Registered and Corporate Office.

Electronic Application Forms will also be available on the website of the BSE.

Trading Members can download Application Forms from the website of the Stock Exchanges Further, Application Forms will also be provided to Trading Members at their request

The prescribed colour of the Application Form for the Applicants is as follows:

Category	Colour of Application Form
Resident Indians – ASBA Applicants as well as non-ASBA Applicant	White
NRIs (applying on a non-repatriation basis only)	Blue

Who are eligible to apply for Bonds?

The following categories of persons are eligible to apply in the Issue:

Category I*	Category II*	Category III	Category IV
Institutions	**Corporates**	**High Networth Individuals ("HNIs")**	**Retail Individual Investors ("RIIs")**
Public Financial Institutions, as defined in Section 2(72) of the Companies Act, 2013,	Companies within the meaning of section 2(20) of the Companies Act;	The following Investors applying for an amount aggregating to above ₹10	The following Investors applying for an amount aggregating upto and

Category I*	Category II*	Category III	Category IV
Institutions	**Corporates**	**High Networth Individuals ("HNIs")**	**Retail Individual Investors ("RIIs")**
scheduled commercial banks, resident multilateral and bilateral development financial institutions, state industrial development corporations; Provident funds and pension funds with minimum corpus of ₹ 25 crore; Insurance companies registered with the IRDA; National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India; Mutual funds registered with SEBI; and Resident Alternative Investment Funds and Venture Capital Funds registered with SEBI, subject to investment conditions applicable to them; which are authorized to invest in the Issue.	Statutory bodies/corporations; Cooperative banks; Trusts including Public / private charitable / religious trusts; Limited liability partnerships; Partnership firms in the name of the respective partners. Regional rural banks; Societies registered under the applicable law in India and authorized; Association of persons; and Other legal entities, subject to compliance with their respective applicable legislations; which are authorized to invest in the Issue.	lakhs across all Series of Bonds in this Tranche I Issue: Resident Indian individuals; Hindu Undivided Families through the Karta; Non Resident Indians on non-repatriation basis only;	including ₹ 10 lakhs across all Series of Bonds in this Tranche I Issue: Resident Indian individuals; Hindu Undivided Families through the Karta; Non Resident Indians on non-repatriation basis only;

** With regard to Section 186(7) of the Companies Act, 2013, see general circular(No. 6/2015), dated April 9, 2015 issued by the MCA clarifying that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the prevailing yield of one year, three year, five year or ten year government security closest to the tenor of the loan, there is no violation of Section 186(7) of the Companies Act, 2013.*

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

An Investor must ensure that in case it is an NRI, it is not (i) based in the United States of America ("USA"), and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA.

Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of

Bonds pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for Bonds?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian). It is further clarified that it is the responsibility of the Applicant to ensure that the guardian is competent to contract under applicable statutory/regulatory requirements;

b) Foreign nationals (including FIIs, FPIs, Qualified Foreign Investors) and NRIs applying on repatriation basis;

c) NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;

d) Foreign Venture Capital Investor;

e) Overseas Corporate Bodies; and

f) Person ineligible to contract under applicable statutory/regulatory requirements.

g) Any other category of Applicants not provided for under "***Issue Procedure – Who are eligible to apply?***" on page 81 of this Prospectus Tranche I.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for Allotment of Bonds in dematerialised form, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the bidding platform of the stock exchange(s).

The concept of OCBs (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

Nothing in the Prospectus Tranche I constitutes an offer of Bonds for sale in the United States or any other jurisdiction where it is unlawful to do so. The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state of the United States or other jurisdiction and the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. The Prospectus Tranche I may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

No offer to the public (as defined under Directive 20003/71/EC, together with any amendments and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue or otherwise in respect of the Bonds, in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the Bonds.

Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions of the Bonds and the information contained in the Shelf Prospectus and the Prospectus Tranche I.

Modes of Making Applications

Applicants may use any of the following facilities for making Applications:

(a) Direct Online Applications, for Bonds only in dematerialised form, using the Online Payment Facility offered through the stock exchange(s). For further details please refer to "***Submission of Completed Application Forms - Submission of Direct Online Applications***" on page 100 of this Prospectus Tranche I;

(b) ASBA Applications, for Bonds only in dematerialised form, through the Members of the Syndicate or the Trading Members of the stock exchange(s) only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) ("**Syndicate ASBA**"). For further details please refer to "***Submission of Completed Application Forms - Submission of ASBA Applications***" on page 101 of this Prospectus Tranche I;

(c) ASBA Applications, for Bonds only in dematerialised form, through the Designated Branches of the SCSBs. For further details please refer to "***Submission of Completed Application Forms - Submission of ASBA Applications***" on page 101 of this Prospectus Tranche I; and

(d) Non-ASBA Applications (other than Direct Online Applications) for Bonds applied in physical and dematerialised form through Members of the Syndicate or the Trading Members of the stock exchange(s) at the centres mentioned in Application Form. For further details please refer to "***Submission of Completed Application Forms - Submission of Non-ASBA Applications (other than Direct Online Applications)***" on page 102 of this Prospectus Tranche I.

APPLICATIONS BY CERTAIN CATEGORIES OF APPLICANTS

Details for Applications by certain categories of Applicants including documents to be submitted are summarised below.

Applications by Mutual Funds

A mutual fund scheme cannot invest more than 15.00% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20.00% of the NAV of the scheme with the prior approval of the board of trustees and the board of asset management company.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Applications Forms by a mutual fund registered with SEBI for Allotment of the Bonds must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorised signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefore.

Application by Alternative Investments Funds

Application made by Alternative Investments Funds eligible to invest in accordance with the Alternate Investment Funds Regulations, 2012, for Allotment of the Bonds must be accompanied by certified true copies of: (i) SEBI Registration Certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof. The Alternative Investment Funds shall at all-time comply with the conditions for categories as per the SEBI Registration Certificate and the relevant SEBI notifications.

Application by Scheduled Commercial Banks

Scheduled Commercial Banks can apply in this Issue based upon their own investment limits and approvals.

Applications by them for Allotment of the Bonds must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investment and containing operating instructions; (iv) specimen signatures of authorised signatories; (v) board resolution authorising investment; and (vi) PAN card. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof.

Applications by NRIs^^

Our Company proposes to issue Bonds to NRIs on non-repatriable basis only. The NRI Applicants should note that only such Applications as are accompanied by Application Amount in Indian Rupees only shall be considered for Allotment. An NRI can apply for Bonds offered in the Issue subject to the conditions and restrictions contained in the FEMA (Borrowing or Lending in Rupees) Regulations, 2000, and other applicable statutory and/or regulatory requirements including the interest rate requirement as provided in the CBDT Notification. Allotment of Bonds to NRIs shall be subject to the Application monies paid by the NRI as described below:

For NRIs applying under non-repatriation basis- If it is received either by inward remittance of freely convertible foreign exchange through normal banking channels i.e. through rupee denominated demand drafts/cheque drawn on a bank in India or by transfer of funds held in the Investor's rupee denominated accounts i.e. Non-resident Ordinary (NRO) account/any other permissible account in accordance with FEMA, and Non Resident External (NRE)/ Foreign Currency Non-Resident (FCNR)/ NRSR account maintained with an RBI authorised dealer or a RBI authorised bank in India. No payments on the Bonds shall be repatriable outside India and the maturity proceeds and interest on the Bonds shall be credited only to such specified bank account.

We confirm that:

i) the rate of interest on each series of Bonds does not exceed the prime lending rate of the State Bank of India as on the date on which the resolution approving the Issue was passed by our Board, plus 300 basis points;

ii) the period for redemption of each series of Bonds is not less than 3 years;

iii) Our Company does not and shall not carry on agricultural /plantation /real estate business/Trading in Transferable Development Rights (TDRs) and does not and shall not act as Nidhi or Chit Fund company;

iv) We will file the following with the nearest office of the Reserve Bank, not later than 30 days from the date –

A. of receipt of remittance of consideration received from NRIs in connection with the Issue, full details of the remittances received, namely;

a) a list containing names and addresses of each NRI Applicant who have remitted funds for investment in the Issue on non-repatriation basis,

b) amount and date of receipt of remittance and its rupee equivalent; and

c) names and addresses of authorised dealers through whom the remittance has been received; The Application money for the Bonds has to be paid in cheque or demand drafts only, in rupee denominated currency only; and

B. of closure of the Issue, full details of the monies received from NRI Applicants, namely;

a) a list containing names and addresses of each NRI Allottee and number of Bonds issued to each of them on non-repatriation basis, and

b) a certificate from our compliance officer that all provisions of the FEMA Act, and rules and regulations made thereunder in connection with the Issue of nonconvertible debentures have been duly complied with.

Applications by eligible NRIs (applying on a non – repatriation basis) should be accompanied by (i) a bank certificate confirming that the demand draft in lieu of the Application Money has been drawn on an NRE/NRO/FCNR/NRSR account; and (ii) if such eligible NRI is a Person of Indian Origin ("PIO"), a PIO card.

^^The Issuer does not make any representations and does not guarantee eligibility for any NRIs for investment into the Tranche I Issue on a non-repatriable basis. All NRIs have to verify their eligibility and ensure compliance with all relevant and applicable notifications issued by the RBI and extant guidelines as well as all relevant and applicable guidelines, notifications and circulars by SEBI pertaining to their eligibility to invest in the Bonds at the stage of investment in this Tranche I Issue, at the time of remittance of their investment proceeds as well as at the time of disposal of the Bonds. The Issuer will not check or confirm eligibility of such investments in the Tranche I Issue.

Application by Insurance Companies

In case of Applications for Allotment of the Bonds made by Insurance Companies, a certified copy of its certificate of registration issued by IRDA must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) memorandum and articles of association; (ii) power of attorney; (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorised signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof.

Applications by Public Financial Institutions as defined in Section 2(72) of the Companies Act, 2013 which are authorised to invest in the Issue

Applications by Public Financial Institutions for Allotment of the Bonds must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorised persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof.

Applications made by companies and bodies corporate under the applicable provisions of the Companies Act

Applications made by companies and bodies corporate for Allotment of the Bonds must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorised persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof.

Applications by provident funds and pension funds which are authorised to invest in the Issue

Applications by provident funds and pension funds which are authorised to invest in the Issue, for Allotment of the Bonds must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (iii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorised person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof.

Applications by National Investment Funds

Application made by a National Invest Fund for Allotment of the Bonds must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof.

Application by Commercial Banks, co-operative banks and Regional Rural Banks

Commercial Banks, co-operative banks and Regional Rural Banks can apply in the Issue based upon their own investment limits and approvals. The application must be accompanied by certified true copies of (i) Board resolutions authorizing investments; (ii) letters of authorization; (iii) Charter Document; and (iv) PAN Card. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Pursuant to SEBI Circular (No. CIR/CFD/DIL/2013) dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Applications by Trusts

Applications made by a trust, settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must be accompanied by a (i) certified true copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favor of one or more trustees thereof; and (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Further, any trusts applying for Bonds must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in the Issue, (b) they have obtained all necessary approvals, consents or other authorizations, which may be required under applicable statutory and/or regulatory requirements to invest in the Issue, and (c) applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants in Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants in Category III and Category IV, a certified copy of the power of attorney must be submitted with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms, subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by Partnership Firms

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions (Resolution); (iv) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason.

Application by Societies or Association of Persons

The Application must be accompanied by certified true copies of: (i) Documents evidencing certificate of registration of the society/ any such documentation in relation to Association of Persons (ii) Resolution authorizing investment and containing operating instructions (Resolution); and (iii) Specimen signature of authorized person.

Our Company, in its absolute discretion, reserves the right to relax the above conditions of enclosing the documents listed above for each category of investors with the Application Forms, subject to such terms and conditions that our Company and the Lead Managers may deem fit.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English. Applicants should note that the Members of the Syndicate or Trading Members of the stock exchange(s) or Escrow Collection Banks or Designated Branches, as the case may be, shall not be liable for error in data entry due to incomplete or illegible Application Forms;
- Applications must be for minimum of 5 Bonds and in multiples of 1 Bond thereafter;
- Applications can be in single or joint names (not exceeding three names). If the Application is submitted in joint names the Application Form may contain only the name of the first Applicant whose name should also appear as first holder of the depository account held in joint names.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, Members of the Syndicate or Trading Members of the stock exchange(s) or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form.
- All Applicants are required to tick the relevant box of the “Mode of Application” in the Application Form choosing either ASBA or Non-ASBA mechanism.
- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch; otherwise the Application is liable to be rejected.

All Applicants may apply for one or more option/ series of Bonds in a single Application Form only.

Our Company would allocate Tranche I Series 1A/Series 1B Bonds (depending upon the category of the Applicant), against all valid Applications, wherein the Applicants have not indicated their choice of Series of Bonds in their Application(s).

B. Applicant’s Depository Account and Bank Account Details

Applicants applying for Bonds to be Allotted in dematerialised form are advised to note that on the basis of the DP ID and Client ID provided by them in the Application Form and entered into the bidding platform of the stock exchange(s), the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, MICR Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants sole risk, and neither our Company, the Members of the Syndicate and Trading Members of the stock exchange(s), Escrow Collection Banks, SCSBs, Registrar to the Issue nor the stock exchange(s) shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

Applicants may note that in case the DP ID, Client ID and PAN mentioned in the Application Form and entered into the bidding platform of the stock exchange(s) do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants and Applicants using Direct Online Application of the stock exchange(s)) in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Members of the Syndicate or Trading Members of the stock exchange(s), Escrow Collection Banks, SCSBs, Registrar to the Issue nor the stock exchange(s) shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of Bonds pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

C. Permanent Account Number (PAN)

The Applicant or in the case of Applications made in joint names, the first Applicant, should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor

Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

D. Joint Applications

Applications can be in single or joint names (not exceeding three names). If the Application is submitted in joint names the Application Form may contain only the name of the first Applicant whose name should also appear as first holder of the depository account held in joint names. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/Multiple Applications

An Applicant can make one or more Applications for the Bonds for the same or other Series of Bonds, subject to a minimum Application size of as mentioned in the respective Prospectus Tranche I. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 10 lacs (₹ 0.1 crore) shall construe such individual Applicant to fall under HNI Portion, and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the Basis of Allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided Family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application.

For the purposes of Allotment of Bonds under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more Applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

F. Applications under Power of Attorney

In case of Investments made pursuant to a power of attorney by Qualified Institutional Buyers, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws and/or charter documents, as applicable, must be lodged along with the Application Form.

In case of Applications made pursuant to a power of attorney or by limited companies, bodies corporate under the applicable provisions of the Companies Act, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form, failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof,

In case of Investments made pursuant to a power of attorney by High Networth Individuals and Retail Individual Investors, a certified copy of the power of attorney must be lodged along with the Application Form.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a Power of Attorney granted by the Applicant to authorise the broker, the broker submits an Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Manager, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Shelf Prospectus and Prospectus Tranche I and applicable laws;

2. Read all the instructions carefully and complete the Application Form in the prescribed form;

3. If the Allotment of the Bonds is sought in dematerialised form, ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;

4. Ensure that the Application Forms are submitted at the Collection Centres provided in the Application Forms, bearing the stamp of a Members of the Syndicate or Trading Member of the stock exchange(s), as the case may be, for Applications other than ASBA Applications/Direct Online Applications.

5. Ensure that you have been given a TRS and an acknowledgement as proof of having accepted the Application Form;

6. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice no. 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;

7. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

8. Ensure that the DP ID, the Client ID, bank account details and the PAN mentioned in the Application Form, for Applicants applying in demat mode, which shall be entered into the bidding platform of the stock exchange(s), match with the DP ID, Client ID and PAN available in the Depository database;

9. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;

10. Ensure that the Applications are submitted to the Members of the Syndicate or Trading Members of the stock exchange(s) or Designated Branches of the SCSBs, as the case may be, before the closure of Application hours on the Issue Closing Date. For further information on the Issue programme, please refer to "***General Information***" on page 18 of this Prospectus Tranche I.

11. Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the Collection Centres provided in the Application Forms, bearing the stamp of a Member of the Syndicate or a Trading Member of the stock exchange(s), as the case may be;

12. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;

13. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of Bonds pursuant to the Issue;

14. **Permanent Account Number:** It shall be mandatory for subscribers to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.

15. **Joint Applications:** Applications can be in single or joint names (not exceeding three names). If the Application is submitted in joint names the Application Form may contain only the name of the first Applicant whose name should also appear as first holder of the depository account held in joint names.

16. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

17. Applicants (other than ASBA Applicants) are requested to write their names and Application Form number on the reverse of the instruments by which the payments are made;

18. Ensure that the Demographic Details (for Applications for the Bonds in dematerialised mode) as provided in the Application Form are updated, true and correct in all respects;

19. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and

20. Tick the Series of Bonds in the Application Form that you wish to apply for.

Don'ts:

1. Do not apply for lower than the minimum Application size;

2. Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;

3. Do not send Application Forms by post; instead submit the same to the Members of the Syndicate or Trading Members of the stock exchange(s) or Designated Branches of the SCSBs, as the case may be;
4. Do not fill up the Application Form such that the Bonds applied for exceeds the Issue size and/or investment limit or maximum number of Bonds that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

6. Do not submit incorrect details of the DP ID, Client ID, bank account details and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

7. Do not submit the Application Forms without the full Application Amount;

8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

9. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;

10. Do not submit an Application in case you are not eligible to acquire Bonds under applicable law or your relevant constitutional documents or otherwise;

11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;

12. Do not apply if you are a person ineligible to apply for Bonds under the Issue;

13. Applicants, other than ASBA Applicants, should not submit the Application Form directly to the Escrow Collection Banks/Bankers to the Issue, and the same will be rejected in such cases.

14. Do not make an Application for the Bonds if you are an NRI applying on a repatriation basis.

Additional Instructions Specific to ASBA Applicants

Do's:

1. Read all the instructions carefully and complete the Application Form;

2. Ensure that you tick the ASBA option in the Application Form and give the correct details of your ASBA Account including bank account number/ bank name and branch;

3. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;

4. Before submitting the physical Application Form with the Member of the Syndicate at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre

5. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries;

6. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;

7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form;

8. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and

9. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, for the submission of the Application Form.

Don'ts:

1. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;

2. Do not submit the Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, at a location other than the Specified Cities.

3. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Members of the Syndicate, SCSBs or Trading Members of the stock exchange(s), as the case may be, at the Specified Cities; and

4. Do not submit more than five Application Forms per ASBA Account.

Kindly note that ASBA Applications submitted to the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit such Application Forms.

Please refer to **"*Issue Procedure*"** on page 80 of this Prospectus Tranche I for information on rejection of Applications**.**

ADDITIONAL INSTRUCTIONS SPECIFIC FOR APPLICANTS SEEKING ALLOTMENT OF THE BONDS IN PHYSICAL

Any Applicant who wishes to subscribe to the Bonds in physical form shall undertake the following steps:

- **Please complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide the Depository Participant details in the Application Form. The requirement for providing Depository Participant details shall be mandatory only for the Applicants who wish to subscribe to the Bonds in dematerialised form.**

For Resident Applications:

(a) Self-attested copy of the PAN card; (in case of a minor, the guardian shall also submit the self-attested copy of his/her PAN card);

(b) Self-attested copy of your proof of residence. Any of the following documents shall be considered as a verifiable proof of residence:

  - ration card issued by the GoI; or
  - valid driving license issued by any transport authority of the Republic of India; or
  - electricity bill (not older than three months); or
  - landline telephone bill (not older than three months); or
  - valid passport issued by the GoI; or
  - voter's identity card issued by the GoI; or
  - passbook or latest bank statement issued by a bank operating in India; or
  - registered leave and license agreement or agreement for sale or rent agreement or flat maintenance bill.
  - AADHAR letter; or

- Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited.

In absence of the cancelled cheque, our Company may reject the Application or it may consider the bank details as given on the Application Form at its sole discretion. In such case our Company, Lead Managers and Registrar shall not be liable for any delays/ errors in payment of refund and/ or interest.

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead

Managers nor our Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the Bonds in physical form, which are not accompanied with the aforestated documents, may be rejected at the sole discretion of our Company

For Non-Resident Applicant:

Self-attested copies of the following documents are required to be submitted by the Applicants as KYC Documents as may be applicable on a particular category of investor:

1. PAN Card (required for all categories);

2. An inward remittance certificate;

3. A certificate from the issuing bank confirming that the demand draft has been drawn on an NRE/ NRO/ FCNR/ NRSR account; and

4. A PIO Card (if the eligible NRI is a PIO)

5. Self-attested copy of your proof of residence:

   - ration card issued by the GoI; or
   - valid driving license issued by any transport authority of the Republic of India; or
   - electricity bill (not older than three months); or
   - landline telephone bill (not older than three months); or
   - valid passport issued by the GoI; or
   - voter‘s identity card issued by the GoI; or
   - passbook or latest bank statement issued by a bank operating in India; or
   - registered leave and license agreement or agreement for sale or rent agreement or flat maintenance bill; or
   - AADHAR letter; and

6. Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption as applicable, should be credited.

7. In absence of the cancelled cheque, our Company may reject the Application or it may consider the bank details as given on the Application Firm as its sole discretion. In such case our Company, Lead Managers and Registrar shall not be liable for any delays/ errors in payment of refund and/or interest.

The Applicant shall be responsible for providing the above in formation accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the Bonds in physical form, which are not accompanied with the above stated documents, may be rejected at the sole discretion of our Company.

In relation to the issuance of the Bonds in physical form, please note the following:

1. An Applicant has the option to seek Allotment of Bonds in either dematerialised or physical mode. No partial Application for the Bonds shall be permitted and is liable to be rejected.

2. In case of Bonds that are being issued in physical form, our Company will issue one certificate to the holders of the Bonds for the aggregate amount of the Bonds for each of the Series of Bonds that are applied for (each such certificate a "**Consolidated Bond Certificate**").

3. **Any Applicant who provides the Depository Participant details in the Application Form shall be Allotted the Bonds in dematerialised form only. Such Applicant shall not be Allotted the Bonds in physical form.**

4. Our Company shall dispatch the Consolidated Bond Certificate to the address of the Applicant provided in the Application Form.

All terms and conditions disclosed in relation to the Bonds held in physical form pursuant to rematerialisation shall be applicable *mutatis mutandis* to the Bonds issued in physical form.

CONSOLIDATED LIST OF DOCUMENTS REQUIRED FOR VARIOUS CATEGORIES

For the sake of simplicity we hereby provide the details of documents required to be submitted by various categories of Applicants (who have applied for Allotment of the Bonds in dematerialised form) while submitting the Application Form:

Type of Investors	Documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
Public financial institutions, commercial banks, companies within the meaning of the Companies Act and bodies corporate registered under the applicable laws in India; resident multilateral and bilateral development financial institutions and State Industrial Development Corporations; Companies; bodies corporate and societies registered under the applicable laws in India. Provided that the above persons are authorised to invest in the Issue.	The Application must be accompanied by certified true copies of: • Any Act/ Rules under which they are incorporated • Board Resolution authorizing investments • Specimen signature of authorized person
Insurance companies registered with the IRDA	The Application must be accompanied by certified copies of • Any Act/Rules under which they are incorporated • Registration documents (i.e. IRDA registration) • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person
Provident Funds, Pension Funds and National Investment Fund	The Application must be accompanied by certified true copies of: • Any Act/Rules under which they are incorporated • Board Resolution authorizing investments • Specimen signature of authorized person
Mutual Funds	The Application must be also accompanied by certified true copies of: • SEBI registration Certificate and trust deed (SEBI Registration) • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person
Applicants through a power of attorney under Category I and II	The Application must be also accompanied by certified true copies of: • A certified copy of the power of attorney or the relevant resolution or authority, as the case may be • A certified copy of the memorandum of association and articles of association and/or bye laws and/or charter documents, as applicable, must be lodged along with the Application Form. • Specimen signature of power of attorney holder/authorized signatory as per the relevant resolution.
Resident Indian individuals and HUF under Categories III and IV	N.A.
Resident HUF under Category III and Category IV	The Application must be also accompanied by certified true copies of: • Self-attested copy of PAN card of HUF. • Bank details of HUF i.e. copy of passbook/bank statement/cancelled cheque indicating HUF status of

Type of Investors	Documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
	the applicant. • Self-attested copy of proof of Address of karta, identity proof of karta.
Power of Attorney under Category III and Category IV	The Application must be also accompanied by certified true copies of: • A certified copy of the power of attorney has to be lodge with the Application Form
Partnership firms in the name of the respective partners Limited Liability partnership formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)	• Partnership Deed • Any documents evidencing registration thereof under applicable statutory/ regulatory requirements. • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person.
Eligible NRIs (applying on a non-repatriation basis)	The Application must be also accompanied by certified true copies of: • A certificate from the issuing bank confirming that the demand draft has been drawn on an NRE/ NRO/ FCNR/ NRSR account. • A PIO Card (if the Eligible NRI is a PIO).
Trusts	The Application must be also accompanied by certified true copies of: • The registered instrument for creation of such trust. • A power of attorney, if any, in favor of one or more trustees thereof. Such other documents evidencing registration thereof under applicable statutory/regulatory requirements

TERMS OF PAYMENT

The entire Issue price for the Bonds is payable on Application only. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the Designated Branches of the SCSBs. In case of Allotment of lesser number of Bonds than the number applied, our Company shall refund the excess amount paid on Application to the Applicant.

Payment mechanism for Direct Online Applicants

Applicants making Direct Online Applications through the online platform must make payment using the Online Payment Facility offered by the stock exchange(s). Such online payments will be directly deposited in the Escrow Account(s) to be opened by our Company. See "***Issue Structure***" on page 57 of this Prospectus Tranche I.

Payment mechanism for ASBA Applicants

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, the ASBA Application will be uploaded onto the bidding platform of the stock exchange(s) and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Members of the Syndicate or Trading Members of the stock exchanges, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the bidding platform. SCSBs may provide the electronic mode of Application either through an internet enabled Application and banking facility or such other secured, electronically enabled mechanism for Application and blocking of funds in the ASBA Account.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted Bonds to the Public Issue Account(s), or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to Bonds allocated to the successful ASBA Applicants to the Public Issue Account(s). In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Escrow Mechanism for Applicants other than ASBA Applicants

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favor the Applicants (except for ASBA Applicants) shall draw cheques or demand drafts. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts.

Our Company shall open and maintain separate escrow accounts and separate public issue accounts with the Escrow Collection Bank(s) in connection with all Application monies received from residents and NRIs on non-repatriation basis. All Application monies received from such resident and non-resident Applicants shall be deposited in the respective escrow accounts maintained with each Escrow Collection Bank. Upon creation of Security as disclosed in the Bond Trust cum Mortgage Deed, the Escrow Collection Bank(s) shall transfer the monies from the escrow accounts to the respective public issue accounts. Our Company shall at all times ensure that any monies kept in the Non Resident Escrow Account and/or the Non Resident Public Issue Account shall be utilised only in accordance with applicable statutory and/or regulatory requirements.

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

a) All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form other than ASBA Applicants.

b) The Applicants shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Accounts and submit the same along with their Application. If the payment is not made favouring the Escrow Accounts along with the Application Form, the Application will be rejected. Application Forms accompanied by cash, stock invest, money order or postal order will not be accepted.

c) The payment instruments from the resident Applicants shall be payable into the Escrow Account drawn in favour of "***REC Tax Free Bonds 2015 Escrow Account R***".

d) The payment instruments from NRIs non-repatriation basis, shall be payable in the Non Resident Escrow Accounts drawn in favour of "***REC Tax Free Bonds 2015 Escrow Account NR Non-Repat***".

e) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected.

f) The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants until the Designated Date.

g) On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of Bonds from the Resident Escrow Account, Non Resident Escrow Account as per the terms of the Escrow Agreement, the Shelf Prospectus and the respective Prospectus Tranche I into the Resident Public Issue Account, Non Resident Public Issue Accounts respectively. The Escrow Collection Banks shall also, upon receipt of instructions from the Lead Managers and the Registrar, transfer all amounts payable to Applicants, who have not been Allotted Bonds to the Refund Accounts.

h) Payments should be made by cheque or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques, post-dated cheques and cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts will be rejected. Cash/ stock invest/ money orders/ postal orders will not be accepted. Please note that cheques without the nine digits Magnetic Ink Character Recognition ("**MICR**") code are liable to be rejected.

i) Applicants are advised to provide the number of the Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.

The Escrow Collection Banks will act in terms of the Shelf Prospectus, Prospectus Tranche I and the Escrow Agreement. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants.

The balance amount after transfer to the respective public issue accounts shall be transferred to the Refund Account. Payments of refund to the relevant Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Shelf/ Prospectus Tranche I.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Applicants.

Payment by cash/ stock invest/ money order

Payment through cash/stock invest/money order shall not be accepted in this Issue.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
Direct Online Applications	Online submission through the online platform and Online Payment Facility offered by stock exchange(s).
ASBA Applications	*(i)* If using <u>physical Application Form</u>, (a) to the Members of the Syndicate or Trading Members of the stock exchange(s) only at the Specified Cities ("**Syndicate ASBA**"), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or *(ii)* If using <u>online Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.
Non-ASBA Applications(other than Direct Online Applications)	The Members of the Syndicate or Trading Members of the stock exchange(s) at the centres mentioned in the Application Form.

Note: Application for allotment of physical form can be made only using Non-ASBA Applications (other than Direct Online Applications).

Syndicate ASBA Applicants must ensure that their ASBA Applications are submitted to the Lead Managers, Members of the Syndicate or Trading Members of the stock exchange(s) only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that ASBA Applications submitted to the Lead Managers, Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Lead Managers, Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Applications. A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries.

Applications shall be accepted only between 10 a.m. and 5 p.m. (Indian Standard Time "IST"), or such extended time as may be permitted by the stock exchange(s), during the Issue Period on all days between Monday and Friday, both inclusive barring public holidays, at the Collection Centers or with the Lead Managers or Lead Brokers at the Specified Centers and the Designated Branches of SCSBs as mentioned on the Application Form. On the Issue Closing Date, Applications shall be accepted only between 10 a.m. and 3 p.m. and shall be uploaded until 5p.m. or such extended time as may be permitted by the stock exchange(s). It is clarified that the Applications not uploaded in the online Application system of the stock exchange(s) would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3p.m. on the Issue Closing Date. All times mentioned in the Shelf Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Members of the Syndicate or Trading Members of the stock exchange(s) is liable for any failure in uploading the Applications due to failure in any software/hardware system or otherwise.

For information on the Issue programme and timings for submission of Application Forms, please refer to "***General Information***" page 18 of this Prospectus Tranche I.

Applicants other than ASBA Applicants are advised not to submit the Application Form directly to the Escrow Collection Banks/Bankers to the Issue, and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

I) Submission of Direct Online Applications

Applicants having operational demat accounts can opt to submit Direct Online Applications through the online platform and Online Payment Facility offered by stock exchange(s). Such Applications can be made as under:

- log on to the online platform of the stock exchange(s);
- provide all requisite information as per the Application Form;
- use the optional facility (if provided by the stock exchange(s)) to provide the broker name and broker code of the broker who referred the Issue to the Applicant, if any;
- submit the above information on-line following the instructions stated therein; and
- make the requisite payment for the Bonds applied for using the Online Payment Facility.

Relevant "know your customer" details of such Applicants shall be validated on-line on the basis of the Depository Participant ID, Beneficiary Owner Account No. available with the Depositories.

On successful submission of a Direct Online Application, the Applicant shall receive:

- a system-generated unique acknowledgement number, ("**UAN**"), and
- an SMS and/ or an e-mail confirmation upon credit of the requisite Application monies paid through the

Online Payment Facility along with the Direct Online Application.

- upon Allotment, the Registrar shall credit securities to the demat account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account.

Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in:

(a) any cancellation/ withdrawal of their Application ;

(b) in queries in connection with Allotment of Bonds and/ or refund(s); and/ or

(c) in all Investor grievances/ complaints in connection with the Issue.

Please note that as per Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure and accordingly the aforementioned disclosures are subject to any further clarification(s), notification(s), modification(s), deletion(s), direction(s), instruction(s) and/or correspondence that may be issued by the Stock Exchange(s) and/or SEBI.

II) Submission of ASBA Applications

Applicants can also apply for Bonds using the ASBA facility. ASBA Applications can be submitted through either of the following modes:

a) Physically or electronically to the Designated Branches of the SCSB with whom an Applicant's ASBA Account is maintained.

In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB. The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the bidding platform of the stock exchange(s). If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the bidding platform of the stock exchange(s). If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the bidding platform of the stock exchange(s). The Designated Branch of the SCSBs shall stamp the Application Form.

In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for Application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.

b) Physically through the Lead Managers, Members of the Syndicate or Trading Members of the stock exchange(s) only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that ASBA Applications submitted to the Lead Managers, Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Lead Managers, Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries)

Upon receipt of the Application Form by the Lead Managers, Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the bidding platform of the stock exchange(s) and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Lead Managers, Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted Bonds to the Public Issue Account(s), or until withdrawal/failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

ASBA Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities; and online Application Forms will be available on the websites of the SCSBs and the stock exchange(s) at least one day prior to the Issue Opening Date. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Abridged Prospectus is made available on their websites.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to "***General Information***" on page 18 of this Prospectus Tranche I.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Members of the Syndicate or Trading Members of the stock exchange(s), as the case maybe, if not, the same shall be rejected.

Please note that ASBA Applicants can make an Application for Allotment of Bonds only in dematerialised form

III) Submission of Non-ASBA Applications (other than Direct Online Applications)

Applicants must use the Application Form, which will be serially numbered, bearing the stamp of the relevant Members of the Syndicate or Trading Member of the stock exchange(s), as the case may be, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Members of the Syndicate or Trading Member of the stock exchange(s), as the case may be, at the centres mentioned in the Application Form along with the cheque or bank draft for the Application Amount, before the closure of the Issue Period.

The stock exchange(s) may also provide Application Forms for being downloaded and filled. Accordingly the Investors may download Application Forms and submit the completed Application Forms together with cheques/ demand drafts to the Members of the Syndicate or Trading Member of the stock exchange(s) at the centres mentioned in the Application Form.

On submission of the complete Application Form, the relevant Members of the Syndicate or Trading Member of the stock exchange(s), as the case may be, will upload the Application Form on the bidding platform provided by the stock exchange(s), and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date and time and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft shall be forwarded to the Escrow Collection Banks for realization and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with:

(a) any cancellation/ withdrawal of their Application;

(b) queries in connection with Allotment and/ or refund(s) of Bonds; and/or

(c) all Investor grievances/ complaints in connection with the Issue.

IV) Submission of Non- ASBA Applications for Allotment of the Bonds in physical form

Applicants can also apply for Allotment of the Bonds in physical form by submitting duly filled in Application Forms to the Members of the Syndicate or the Trading Members, along with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified in the section titled "***Issue Procedure***" at page 103 of this Prospectus Tranche I. The Members of the Syndicate and Trading Members shall, upon submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the online platforms of stock exchange(s), following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant.

Upon uploading of the Application details, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the payment instruments to the Escrow Collection Banks, which will realise the payment instrument, and send the Application Form and the KYC documents to the Registrar, who shall check the KYC documents submitted and match Application details as received from the online platforms of stock exchanges with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platforms of stock exchange(s) will prevail. The Members of the Syndicate/Trading Members are requested to note that all Applicants are required to be banked with only the designated branches of Escrow Collection Banks, as mentioned in the Application Form. Upon Allotment, the Registrar will dispatch Bond Certificates to the successful Applicants to their addresses as provided in the Application Form. **Please note that, in the event that KYC documents of an Applicant are not in order, the Registrar will withhold the dispatch of Bond Certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar at the earliest.**

Please note that in such an event, any delay by the Applicant to provide complete KYC documents to the Registrar will be at the Applicant's sole risk and neither our Company, the Registrar, the Escrow Collection Banks, Members of the Syndicate, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the Bond Certificates are withheld by the Registrar. Further, our Company will not be liable for any delays in payment of interest on the Bonds Allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the Bonds.

Electronic Registration of Applications

(a) The Members of the Syndicate or Trading Members of the stock exchange(s) and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the stock exchange(s). There will be at least one on-line connection in each city where Applications are being accepted. Direct Online Applications shall be registered by Applicants using the online platform offered by stock exchange(s).

The Members of the Syndicate, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) any Applications accepted by the Trading Members of the stock exchange(s) or (v) any Online Direct Applications.

(b) In case of apparent data entry error by the Members of the Syndicate or Trading Members of the stock exchange(s), Escrow Collection Banks or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(c) The stock exchange(s) would offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Members of the Syndicate or Trading Members of the stock exchange(s) and the SCSBs during the Issue Period. The Members of the Syndicate or Trading Members of the stock exchange(s) can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Members of the Syndicate or Trading Members of the stock exchange(s) and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the stock exchange(s). This information will be available with the Members of the Syndicate or Trading Members of the stock exchange(s) and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to "***General Information***" on page 18 of this Prospectus Tranche I.

(d) At the time of registering each Application, other than ASBA Applications and Direct Online Applications, the Members of the Syndicate or Trading Members of the stock exchange(s) shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID (not applicable to Applications for Allotment of Bonds in physical form)
- Client ID (not applicable to Applications for Allotment of Bonds in physical form)
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bonds
- Price per Bond
- Application Amount
- Cheque number

(e) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bonds
- Price per Bond
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application Amount

(f) With respect to ASBA Applications submitted to the Members of the Syndicate or Trading Members of the stock exchange(s) only at the Specified Cities, at the time of registering each

Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bonds
- Price per Bond
- Bank code for the SCSB where the ASBA Account is maintained
- Location of Specified City
- Application Amount

(g) A system generated TRS will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the TRS from the Members of the Syndicate or Trading Members of the stock exchange(s) and the Designated Braches of the SCSBs, as the case may be. The registration of the Application by the Members of the Syndicates or Trading Members of the stock exchange(s) and the Designated Braches of the SCSBs, as the case may be, does not guarantee that the Bonds shall be allocated/Allotted by our Company. TRS will be non-negotiable and by itself will not create any obligation of any kind.

(h) Applications can be rejected on the technical grounds listed herein below or if all required information is not provided or the Application Form is incomplete in any respect.

(i) The permission given by the stock exchange(s) to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Managers are cleared or approved by the stock exchange(s); nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Shelf Prospectus; nor does it warrant that the Bonds will be listed or will continue to be listed on the Stock Exchange.

(j) Only Applications that are uploaded on the online system of the stock exchange(s) shall be considered for allocation/Allotment. The Members of the Syndicate or Trading Members of the stock exchange(s) and the Designated Braches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the bidding platform of the stock exchange(s). In order that the data so captured is accurate the Members of the Syndicate or Trading Members of the stock exchange(s) and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or Bond Committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications submitted without payment of the entire Application Amount. However, our Company may Allot Bonds up to the value of Application monies paid, if such Application monies exceed the minimum Application size as prescribed hereunder

- In case of partnership firms, the Application Forms submitted in the name of individual partners and/or accompanied by the individual's PAN rather than the PAN of the partnership firm;

- Application by persons not competent to contract under the Indian Contract Act, 1872;

- PAN not mentioned in the Application Form;

- DP ID, Client ID (in case of applicantions in demat form) and bank account details not mentioned in the Application Form;

- GIR number furnished instead of PAN;

- Applications by OCBs;

- Applications for an amount below the minimum Application size;

- Submission of more than five ASBA Forms per ASBA Account;

- Applications by persons who are not eligible to acquire Bonds of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

- Applications accompanied by Stock invest/ money order/postal order/cash;

- Signature of Applicant missing.

- Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository). In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form;

- Copy of KYC documents not provided in case of option to hold Bonds in physical form;

- ASBA Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;

- Application Forms submitted to the Members of the Syndicate or Trading Members of the stock exchange(s) does not bear the stamp of the relevant Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be. ASBA Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be;

- ASBA Applications not having details of the ASBA Account to be blocked;

- Application Forms for Allotment in dematerialised mode which do not have Applicant's depository account details;

- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;

- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

- Authorization to the SCSB for blocking funds in the ASBA Account not provided;

- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by

SEBI or any other regulatory authority;

- Applications by other persons who are not eligible to apply for Bonds and/or under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- Applications not uploaded on the terminals of the stock exchange(s);
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the stock exchange(s), as applicable;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and as per the instructions in the Application Form and the Prospectus Tranche I;
- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Where PAN details in the Application Form and as entered into the bidding platform of the stock exchange(s), are not as per the records of the Depositories;
- ASBA Applications submitted to the Members of the Syndicate or Trading Members of the stock exchange(s) at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Applications tendered to the Trading Members of the stock exchange(s) at centres other than the centres mentioned in the Application Form;
- Category not ticked;
- Application Form accompanied with more than one payment instrument.
- In case of eligible NRIs applying on non repatriation basis if: (i) in case of Application for Allotment in physical form, the account number mentioned in the Application Form where the sale proceeds/ maturity proceeds/ interest on Bonds is to be credited is a repatriable account; or (ii) in case of Application for Allotment in demat form, the status of the demat account mentioned is repatriable.
- In case of eligible NRIs applying on non- repatriation basis - if the money is received from an account other than Non-resident Ordinary (NRO)/ any other permissible account in accordance with FEMA and Non Resident External (NRE) account maintained with an RBI authorised dealer or a RBI authorised bank in India
- Bank certificate not provided along with demand draft for NRI Applicants
- PIO Applications without the PIO Card
- NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA
- SCSB making an ASBA Application (a) through an ASBA Account maintained with its own self or (b) through an ASBA account maintained through a different SCSB not in its own name, or (c) through an ASBA Account maintained through a different SCSB in its own name, which ASBA Account is not utilised for the purpose of applying in public issue
- Application Amount paid being higher than the value of Bonds applied for. However, our Company may allot Bonds upto the number of Bonds applied for, if the value of such Bonds applied for exceeds the Minimum Application Size;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations

- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;

- Where PAN details in the Application Form and as entered into the bidding platform of the stock exchange(s), are not as per the records of the Depositories

- Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository). In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form; and

- Recategorisation of Application Forms;

- Applications (except for ASBA Applications) where clear funds are not available in Escrow Accounts and Non Resident Escrow Accounts as per final certificates from Escrow Collection Banks;

Kindly note that ASBA Applications submitted to the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries**)**.

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the Basis of Allotment set out below.

In terms of the RBI circular (No.DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS cheques would be processed in three CTS centres thrice a week until April 30, 2014, twice a week until October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity SharesBonds within 12 Working Days of the Bid/OfferIssue Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payments. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/OfferIssue Closing Date.

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the stock exchange(s) and all SCSBs, and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, the Basis of Allotment will be based on the Registrar‘s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

In case of non-ASBA Applications and Direct Online Applications, the Basis of Allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers, the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).
In case of Applications for a higher number of Bonds than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Grouping of Applications and Allocation Ratio: For the purposes of the Basis of Allotment:

(a) *Applications received from Applicants who are Category I (Institutions) :* Applications received from Category I (Institutions) , shall be grouped together, ("**Institutional Portion**");

(b) *Applications received from Applicants who are Category II (Corporates):* Applications received from Category II (Corporate), shall be grouped together, ("**Corporate Portion**");

(c) *Applications received from Category III (High Networth Individuals):* Applications received from Category III (High Networth Individuals), shall be grouped together, ("**HNI Portion**"); and

(d) *Applications received from Category IV (Retail Individual Investors):* Applications received from Category IV (Retail Individual Investors), shall be grouped together, ("**Retail Portion**");

For removal of doubt, "Institutional Portion", "Corporate Portion" "HNI Portion" and "Retail Portion" are individually referred to as "**Portion**" and collectively referred to as "**Portions**".

For the purposes of determining the number of Bonds available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of Bonds to be Allotted upto or over and above the Base Issue Size, in case our Company opts to retain any over subscription in the Issue upto the Shelf Limit. The aggregate value of Bonds decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any over subscription in the Issue), and/or the aggregate value of Bonds upto the Base Issue Size shall be collectively termed as the "**Overall Issue Size**".

Allocation Ratio

Reservations shall be made for each of the Portions as follows:

Particulars	Institutions ("Institutions")	Corporates ("Corporates")	High Networth Individuals ("HNIs")	Retail Individual Investors ("RIIs")
Portion	Institutional Portion	Corporate Portion	HNI Portion	Retail Portion
Size in %	10% of the Issue Size	25% of the Issue Size	25% of the Issue Size	40% of the Issue Size

Basis of Allotment for Bonds

(a) Allotments in the first instance:

i. Applicants belonging to the Category I, in the first instance, will be allocated Bonds upto 10% of the Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the online Application platform of the stock exchanges);

ii. Applicants belonging to the Category II, in the first instance, will be allocated Bonds upto 25% of Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the online Application platform of the stock exchanges);

iii. Applicants belonging to the Category III, in the first instance, will be allocated Bonds upto 25% of Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the online Application platform of the stock exchanges);

iv. Applicants belonging to the Category IV, in the first instance, will be allocated Bonds upto 40% of Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the online Application platform of the stock exchanges).

(b) Under subscription

If there is any under subscription in any Portion the spill over to shall be in the following order:

i. Category IV Portion;

ii. Category III Portion;

iii. Category II Portion; and

iv. Category I Portion.

(c) For all Portions, all Applications uploaded on the same day on the online Application platform of the relevant stock exchanges would be treated at par with each other.

(d) Allotments in case of oversubscription:

In case of an oversubscription in any of the Portions, Allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full Allotment of Bonds to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of Bonds to the Applicants on the date of oversubscription (based on the date of upload of each Application on the online Application platform of the relevant stock exchanges, in each Portion). The method of proportionate allotment is as described below:

i. Allotments to the applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer,

ii. If the process of rounding off to the nearest integer results in the actual allocation of Bonds being higher than the Issue size, not all applicants will be allotted the number of Bonds arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference;

iii. In the event, there are more than one Applicant whose entitlement remains equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(e) Applicants applying for more than one Series of Bonds:

If an Applicant has applied for more than one Series of Bonds, and in case such Applicant is entitled to allocation of only a part of the aggregate number of Bonds applied for, the Series-wise allocation of Bonds to such Applicants shall be in proportion to the number of Bonds with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate, in consultation with the Lead Managers and the Designated Stock Exchange.

All decisions pertaining to the basis of allotment of Bonds pursuant to the Issue shall be taken by our Company in consultation with the Lead Managers, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus Tranche I. Any other queries/issues in connection with the Applications will be appropriately dealt with and decided upon by the Company in consultation with the Lead Managers.

Our Company shall allocate and allot Tranche I Series 1A/ Series 1B (depending upon the category of applicants) to all valid applications, wherein the Applicants have not indicated their choice of the relevant Bond Series.

Our Company has the discretion to close the Issue early irrespective of whether any of the Portion(s) are fully subscribed or not. Our Company shall allot Bonds with respect to the Applications received till the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Retention of over subscription

This Tranche I Issue by the Company is of Bonds for an amount of ₹ 300 crores with an option to retain oversubscription upto ₹ 400 crores, aggregating to ₹ 700 crores.

In pursuance of CBDT Notification, our Company is authorised to raise a minimum of 70% of the allocated limit of ₹ 1,000 crore by way of various tranche(s) of public issue. Our Company has raised an amount aggregating to ₹ 300 crore, equivalent to 30% of the allocated limit, through private placement route. Our Company shall ensure that Bonds issued through public issue route and private placement route in the Fiscal 2016 shall together not exceed the allocated limit.

PAYMENT OF REFUNDS

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/give instructions for electronic refunds, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/ Allotment of Bonds. Refunds, if any, to Applicants who have submitted Direct Online Applications through the online platform and Online Payment Facility offered by the stock exchanges(s), will also be made as per provisions under this section.

The Registrar to the Issue will obtain from the Depositories, the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds.

For Applicants who receive refunds through NECS, direct credit, RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Issue Closing Date. A suitable communication shall be dispatched to the Applicants receiving refunds through these modes, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses of Applicants, as per the Demographic Details received from the Depositories.

The Demographic Details would be used for mailing of the physical refund orders, as applicable.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the following modes:

1. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

2. NECS – Payment of refund would be done through NECS for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2 lakhs, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code (IFSC). Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been

assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post or Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

TRANSFER OF BONDS AND ISSUANCE OF ALLOTMENT ADVICE

With respect to Applicants other than ASBA Applicants, our Company shall (i) ensure dispatch of Allotment Advice/intimation within 9 Working Days of the Issue Closing Date, and (ii) give instructions for credit of Bonds to the beneficiary account with Depository Participants, for successful Applicants who have been Allotted Bonds in dematerialised form, within 9 Working Days of the Issue Closing Date. The Allotment Advice for successful Applicants who have been Allotted Bonds in dematerialised form will be mailed to their addresses as per the Demographic Details received from the Depositories.

With respect to the ASBA Applicants, our Company shall ensure dispatch of Allotment Advice and/or give instructions for credit of Bonds to the beneficiary account with Depository Participants within 9 Working Days of the Issue Closing Date. The Allotment Advice for successful ASBA Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the Bonds are proposed to be listed are taken within 12 Working Days from the Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders and Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Withdrawal of Direct Online Applications

Direct Online Applications may be withdrawn in accordance with the procedure as may be prescribed by the stock exchange(s).

Withdrawal of ASBA Applications

ASBA Applicants can withdraw their ASBA Applications during the Issue Period by submitting a request for the same to Members of the Syndicate or Trading Members of the stock exchange(s) or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the bidding platform of the stock exchange(s). In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the bidding platform of the stock exchange(s) and unblocking of the funds in the ASBA Account directly.

Withdrawal of Non-ASBA Applications (other than Direct Online Applications)

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, through whom the Application had been placed. Upon receipt of the request for withdrawal from the Applicant, the relevant Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, shall do the requisite, including deletion of details of the withdrawn Non-ASBA Application Form from the bidding platform of the stock exchange(s).

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of Allotment. The Registrar to the Issue will delete the withdrawn Application from the electronic file provided by the Stock Exchanges and issue instruction to the SCSB for unblocking the ASBA Account (in case of ASBA Applications).

Revision of Applications

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Members of the Syndicate/Trading Member/SCSBS, as the case may be. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the online Application platform of the stock exchange(s) as per the procedures and requirements prescribed by each relevant stock exchange(s), ensure that you have first withdrawn your original Application and submit a fresh Application. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Lead Managers, the Consortium Members, sub-brokers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for Issue and holding of the Bonds in dematerialised form. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the Depositories.

As per the provisions of the Depositories Act, 1996, the Bonds issued by us can be held in a dematerialised form. In this context:

(i) Tripartite Agreement dated November 15, 2007 between us, the Registrar to the Issue and NSDL and dated October 16, 2007 between us, the Registrar to the Issue and CDSL, for offering depository option to the Investors.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

(iv) Bonds Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Applications can be in single or joint names (not exceeding three names). In case of Applications in joint names for Allotment of Bonds, the names should be in the same order as the appearing in the records of the Depository Participant.

(vi) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.

(vii) It may be noted that Bonds in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. BSE has connectivity with NSDL and CDSL.

(viii) Interest or other benefits with respect to the Bonds held in dematerialised form would be paid to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Please also refer to "***Instructions for completing the Application Form - Applicant's Depository Account and Bank Account Details***" on page 88 of this Prospectus Tranche I.

Please note that the Bonds shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium/accrued interest for such Bonds) prior to redemption of the Bonds.

PLEASE NOTE THAT TRADING OF BONDS ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLES OF ONE BOND.

Allottees will have the option to re-materialise the Bonds Allotted under the Issue as per the provisions of the Act and the Depositories Act.

Communications

- All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of Bonds applied for, date of the Application Form, name and address of the Members of the Syndicate or Trading Members of the stock exchange(s) or Designated Branch, as the case may be, where the Application was submitted, and cheque/ draft number and issuing bank thereof or with respect to ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. All grievances relating to the Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant stock exchange(s).

- Applicants may contact our Compliance Officer (and Company Secretary) or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on Application money or credit of Bonds in the respective beneficiary accounts, as the case may be.

Nomination Facility

In accordance with Section 72 of the Companies Act, 2013 the sole or first Applicant, with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Bonds Allotted, if any, will vest. A nominee entitled to the Bonds by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Bonds. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Bonds in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of Bonds by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office of our Company or with the Registrar to the Issue.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 will on the production of such evidence as may be required by the Board, elect either:

– to register himself or herself as holder of Bonds; or
– to make such transfer of the Bonds, as the deceased holder could have made.

Further, SEBI may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Bonds, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Bonds, until the requirements of the notice have been complied with. For Applicants who opt to hold the Bonds in physical form, the Applicants are require to fill in the details for 'nominees' as provided in the Application Form.

In case of Application for Allotment of Bonds in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant will prevail. If Applicants want to change their nomination, they are advised to inform their respective Depository Participant.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in Allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Impersonation

Attention of the Applicants is specifically drawn to sub-section (1) of Section 38 of the Companies Act, 2013, reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date. In the event of such early closure of the subscription list of the Issue, our Company shall ensure that public notice of such early closure is published on or before the day of such early date of closure through advertisement(s) in at least one leading national daily newspaper with wide circulation.

Utilisation of Application Money

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

a) All monies received pursuant to the Issue of Bonds to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Act.

b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and

c) Details of all unutilised monies out of issue of Bonds, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

d) We shall utilise the Issue proceeds only upon execution of the documents for creation of Security as stated in the Shelf Prospectus.

e) The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

f) The utilisation of Issue Proceeds shall be in compliance with various guidelines/regulations/clarifications issued by RBI, SEBI or any other statutory authority from time to time. All subscription monies received from eligible NRIs through the Issue shall be kept in a separate account opened and maintained by our Company, the proceeds of which account shall not be utilised for any lending purposes in terms of the FEMA Borrowing Regulations.

Filing of the Prospectus with ROC

A copy of the Shelf Prospectus and the Prospectus Tranche I shall be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana, along with the material contracts and documents in terms of section 26 and section 31 of the Companies Act, 2013. For more information see section titled as "***Material Contracts and Documents for Inspection***" on page 118 of this Prospectus Tranche I.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and Prospectus Tranche I with ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Listing

The Bonds offered through the Shelf Prospectus and the Prospectus Tranche I are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE vide its letter no. DCS/SJ/PI-BOND/08/15-16 dated October 20, 2015. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our Bonds are not granted by the BSE, our Company will forthwith repay, all moneys received from the Applicants in pursuance of the Shelf Prospectus and Prospectus Tranche I, without interest.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the Bonds are proposed to be listed are taken within 12 Working Days from the Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Series, such Series(s) of Bonds shall not be listed.

Undertaking by the Issuer

We undertake that:

a. We will comply with all the applicable provisions stipulated in SEBI Debt Regulations;

b. complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by us expeditiously and satisfactorily;

c. necessary cooperation to the credit rating agency(ies) will be extended in providing true and adequate information until the debt obligations in respect of the Bonds are outstanding;

d. we will take necessary steps for the purpose of getting the Bonds listed within the specified time, i.e., 12 Working Days from the Issue Closing Date;

e. funds required for dispatch of refund orders/Allotment Advice/certificates by registered post will be made available by us to the Registrar to the Issue;

f. Allotment letters shall be issued or application money shall be refunded within fifteen days from the closure of the issue or such lesser time as may be specified by Securities and Exchange Board of India or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

g. All monies received pursuant to the Issue shall be transferred to a bank account other than the bank account referred to in Section 40 of the Companies Act, 2013 and shall not be utilised for any purpose other than:

   a. for adjustment against allotment of securities where the securities have been permitted to be dealt with in the stock exchange or stock exchanges specified in the prospectus; or
   b. for the repayment of monies within the time specified by the Securities and Exchange Board of India, received from applicants in pursuance of the prospectus, where our Company is for any other reason unable to allot securities.;

h. our Company will forward details of utilisation of the Issue Proceeds, duly certified by the Statutory Auditor, to the Trustee at the end of each half year.

i. our Company will provide a compliance certificate to the Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue of Bonds as contained in the Prospectus Tranche I.

j. details of all monies utilised out of the Issue Proceeds will be disclosed under an appropriate separate head in our Company's Balance Sheet, indicating the purpose for which such monies had been utilised.

k. details of all unutilised monies out of the Issue Proceeds, if any, will be disclosed under an appropriate separate head in our Company's Balance Sheet, indicating the form in which such unutilised monies have been invested.

l. our Company will disclose the complete name and address of the Trustee in its annual report.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company) which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered and Corporate Office of the Company, from 10 a.m. and 5 p.m. on any working day (Monday to Friday) during which issue is open for public subscription under the Prospectus Tranche I from the date of the Shelf Prospectus until the date of closure of the Issue.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated September 28, 2015, between the Company and the Lead Managers.

2. Memorandum of Understanding dated September 28, 2015 between the Company and the Registrar to the Issue.

3. Escrow Agreement dated October 19, 2015 between the Company, the Registrar, the Escrow Collection Bank(s), and Lead Managers.

4. Tripartite Agreement dated October 16, 2007, between CDSL, the Company and the Registrar to the Issue.

5. Tripartite Agreement dated November 15, 2007 between NSDL, the Company and the Registrar to the Issue.

6. Trustee Agreement dated July 17, 2015 between Company and Trustee.

7. Consortium Agreement dated October 21, 2015 between Company and the Members of the Consortium for marketing of the Issue.

8. Undertaking by the Company for execution of the Bond Trust cum Mortgage Deed.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of the Company, as amended to date.

2. Certificate of Incorporation dated July 3, 1969 and Fresh Certificate of Incorporation dated July 18, 2003.

3. Registration Certificate with the RBI.

4. Registration Certificate with the RBI as an NBFC ND-IFC.

5. Shareholder’s Resolution passed on June 10, 2014 in accordance with the provisions of the Companies Act under section 180(1)(c), authorising the Board to borrow such sums of money, not exceeding ₹ 200,000 crore in Indian Rupees and USD 6 billion in any foreign currency, for the purposes of the business of our Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by our Company (apart from temporary loans obtained from our Company’s bankers, in the ordinary course of the business) would exceed the aggregate of our paid-up capital and free reserves.

6. Resolution passed at the Meeting of the Board of Directors held on August 7, 2015, constituting and authorizing the Bond Committee, approving the Issue for an amount aggregating upto ₹ 1,000 crore in the Fiscal 2016 and authorization to exercise powers in relation to raising of debt issues.

7. Credit Rating letters issued by CRISIL, CARE, IRRPL and ICRA dated September 15, September 15, September 16 and September 16, 2015 respectively and revalidation letters dated October 19, 2015.

8. Consents of each of the Directors, Compliance Officer, Company Secretary, Director (Finance), Lead Managers, Members of the Consortium, Legal Advisors to the Issue, Registrar to the Issue, Bankers to the Company, Bankers to the Issue, Refund Banks, the Bond Trustee and the Credit Rating Agencies to include their names in the Prospectus Tranche I, in their respective capacities.

9. Copy of the resolution passed by the Bond Committee on October 13, 2015 approving the Draft Shelf Prospectus.

10. Copy of the resolution passed by the Bond Committee on October 21, 2015 approving Shelf Prospectus and Prospectus Tranche I.

11. Consent of the Auditors, for inclusion of their name and the report on the Accounts in the form and context in which they appear in the Prospectus Tranche I and their statement on tax benefits mentioned herein.

12. Statement of Tax Benefits dated October 12, 2015.

13. Auditor's Report dated October 12, 2015 on standalone financial statements for the financial year March 31, 2011, 2012, 2013, 2014 and 2015 Limited Review Report for the period ended June 30, 2015 dated August 7, 2015 and Auditor's Report on consolidated financial statements dated October 12, 2015 prepared for the financial year March 31, 2011, 2012, 2013, 2014 and 2015.

14. Notification No. 59/2015.F.No.178/27/2015-ITA.1 dated July 6, 2015 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, GoI.

15. Annual Report of the Company for the last 5 (five) fiscals.

16. In-principle listing approval from BSE vide letter no. DCS/SJ/PI-BOND/08/15-16 dated October 20, 2015.

17. Due Diligence Certificate dated October 21, 2015 filed by the Lead Managers with SEBI.

18. MoU dated March 30, 2015 between our Company and Ministry of Power (MoP).

19. SEBI Exemption Letter dated October 6, 2015 and our letters addressed to SEBI dated September 15, 2015 and September 18, 2015.

Any of the contracts or documents mentioned in the Shelf Prospectus may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, certify that all applicable legal requirements in connection with the Issue, including under the Companies Act, 2013 (to the extent in force) and the rules made thereunder, the Companies Act, 1956 (to the extent not repealed) and the rules made thereunder, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities Contracts (Regulation) Act, 1956 and the rules and regulations made thereunder, the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder, each, as amended, and rules/ regulations/ guidelines/ circulars issued by the Government of India, the Securities and Exchange Board of India and other competent authorities in this respect, from time to time, have been duly complied with and that no statement made in this Prospectus Tranche I contravenes any such requirements.

We further certify that the Shelf Prospectus and Prospectus Tranche I for the Tranche I Issue do not omit disclosure of any material information that may make the statements made herein, in the light of the circumstances in which they were made, misleading and that all statements in the Shelf Prospectus and Prospectus Tranche I are true and correct in all material respects.

Signed by all the Directors of the Company

1. Mr. Rajeev Sharma, Chairman and Managing Director
   (DIN: 00973413)

2. Mr. Ajeet Kumar Agarwal, Director (Finance)
   (DIN: 02231613)

3. Mr. Sanjeev Kumar Gupta, Director (Technical)
   (DIN: 03464342)

4. Dr. Arun Kumar Verma, Government Nominee Director
   (DIN: 02190047)

Place: New Delhi

Date: October 21, 2015

APPENDIX-I–SHELF PROSPECTUS DATED OCTOBER 21, 2015