



POWER FINANCE CORPORATION LIMITED

(A Government of India undertaking)

Our Company was incorporated as Power Finance Corporation Limited on July 16, 1986 as a public limited company under the Companies Act, 1956, as amended and was granted a certificate of incorporation by the Registrar of Companies, National Capital Territory of New Delhi & Haryana and was granted a certificate of commencement of business on December 31, 1987. For further details, see the section titled “**History and Certain Corporate Matters**” on page 146 of the Shelf Prospectus. The Corporate Identification Number of our Company is L65910DL1986GOI024862.

Registered and Corporate Office: ‘Urjanidhi’, 1 Barakhamba Lane, Connaught Place, New Delhi 110001, India.

Telephone: +91 11 2345 6000; **Facsimile:** +91 11 2341 2545

Company Secretary and Compliance Officer: Mr. Manohar Balwani; **Telephone:** +91 11 2345 6000; **Facsimile:** +91 11 2341 2545

E-mail: taxfreebonds15-16@pfcindia.com; **Website:** www.pfcindia.com and www.pfc.gov.in

PUBLIC ISSUE BY POWER FINANCE CORPORATION LIMITED (“COMPANY” OR THE “ISSUER”) OF TAX FREE BONDS OF FACE VALUE OF ₹ 1,000 EACH IN THE NATURE OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES, HAVING BENEFITS UNDER SECTION 10(15)(iv)(h) OF THE INCOME TAX ACT, 1961, AS AMENDED (“BONDS”) FOR AN AMOUNT OF ₹ 100 CRORES (“BASE ISSUE SIZE”) WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 600 CRORES AGGREGATING TO ₹ 700 CRORES * (“TRANCHE I ISSUE”) AND IS BEING OFFERED BY WAY OF THIS TRANCHE I PROSPECTUS CONTAINING, INTER ALIA, THE TERMS AND CONDITIONS OF THIS TRANCHE I ISSUE (THE “TRANCHE I PROSPECTUS”), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED SEPTEMBER 22, 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”). THE SHELF PROSPECTUS TOGETHER WITH THE TRANCHE – I PROSPECTUS CONSTITUTES THE “PROSPECTUS”.

The Tranche I Issue is made under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (“SEBI Debt Regulations”) and pursuant to notification No. 59/2015 dated July 6, 2015 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, 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, 1961, as amended.

* In terms of the CBDT Notification, our Company has been authorised to issue tax free secured redeemable non-convertible bonds for an amount of ₹ 1,000 crore during the fiscal 2016 of which at least 70.00% of aggregate amount of bonds is to be raised through public issue. Accordingly, our Company plans to raise ₹ 700 crore (“Issue Size”) through this issue.

PROMOTER

The President of India, acting through and represented by Ministry of Power, Government of India. For further details refer to the chapter “**Our Promoters**” on page 198 of the Shelf Prospectus.

GENERAL RISKS

Investors are advised to read the section titled “**Risk Factors**” on page 16 of the Shelf Prospectus carefully before taking an investment decision in relation to the Tranche I Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Tranche I Issue, including the risks involved. This Tranche I Prospectus 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”), the Ministry of Power, any registrar of companies or any stock exchange in India.

INTEREST/COUPON RATE, FREQUENCY OF INTEREST PAYMENT, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Interest/ Coupon rate, Frequency of Interest Payment, Redemption Date and Redemption Amount of the Bonds, see section titled “**Terms of the Issue**” on page 63 of this Tranche I Prospectus. For details relating to eligible investors, please see “**Issue Structure**” on page 55 of this Tranche I Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Tranche I Prospectus does contain all information with regard to the Issuer and the Tranche I Issue, which is material in the context of the Issue; that the information contained in this Tranche I 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 this Tranche I Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

CRISIL Limited (“CRISIL”) has assigned a rating of ‘CRISIL AAA/ Stable’ to the long term borrowing programme of our Company for an amount upto ₹ 50,000 crores for Fiscal 2016, by its letter dated April 7, 2015 and revalidated the said rating vide its letter dated June 23, 2015, August 27, 2015 and September 16, 2015. ICRA Limited (“ICRA”) has assigned a rating of ‘[ICRA] AAA’ to the long term borrowing programme of our Company (including bonds and long term bank borrowing) for an amount upto ₹ 60,000 crores for Fiscal 2016, by its letter dated April 8, 2015 and revalidated the said rating vide its letter dated June 22, 2015, August 31, 2015 and September 17, 2015. Credit Analysis & Research Ltd. (“CARE”) has assigned its rating of ‘CARE AAA’ to overall borrowing programme of our Company for an amount upto ₹ 60,000 crores (including short term borrowing aggregating to ₹ 10,000 crores as a sub-limit) for Fiscal 2016 by its letter dated April 7, 2015 and revalidated the said rating vide its letter dated June 22, 2015, August 31, 2015 and September 17, 2015. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations and such instruments carry lowest credit risk. For details, see the section titled “**Terms and Conditions in Connection with the Bonds**” on page 58 of this Tranche I Prospectus. For the rationale for these ratings, see Annexure B of the Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated September 10, 2015 was filed with BSE, the Designated Stock Exchange, pursuant to the provisions of the SEBI Debt Regulations and was open for public comments for a period of seven Working Days (i.e., until 5 p.m. on September 18, 2015) from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchange.

LISTING

The Bonds are proposed to be listed on the BSE, which is also the Designated Stock Exchange for the Tranche I Issue. BSE has given its in-principle listing approval vide its letter dated September 18, 2015

LEAD MANAGERS TO THE ISSUE



EDELWEISS FINANCIAL SERVICES LIMITED

Edelweiss House
Off CST Road, Kalina, Mumbai 400 098
Maharashtra, India
Tel: +91 22 4086 3535
Facsimile: +91 22 4086 3610
Email: pfct2015@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



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: pfctfbonds4@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



RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED

47, M.M. Road, Rani Jhansi Marg,
Jhandewalan, New Delhi 110055
Tel: +91 11 2363 6362
Facsimile: +91 11 2363 6746
Email: pfctaxfree2015@rrfcl.com
Investor Grievance Email: investors@rrfcl.com
Website: www.rrfcl.com/
www.rrfinance.com
Contact Person: Mr. Anurag Awasthi
Compliance Officer: Ravi Kant Goyal
SEBI Registration No.: INM000007508



KARVY INVESTOR SERVICES LIMITED

701, Hallmark Business Plaza
7th Floor, Sant Dyaneshwar Marg,
Off Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
Tel: +91 22 6149 1500
Facsimile: +91 22 6149 1515
Email: pfctaxfree2015@karvy.com
Investor Grievance Email: igmbd@karvy.com,
cmg@karvy.com
Website: www.karvy.com
Contact Person: Mr. Bhavin Vakil/ Rohan Menon
Compliance Officer: Mr. V
Madhusudhan Rao
SEBI Registration No.: INM000008365

DEBENTURE TRUSTEE FOR THE BONDHOLDERS*



MILESTONE TRUSTEESHIP SERVICES PRIVATE LIMITED

602, Hallmark Business Plaza, Sant Dayaneshwar Marg,
Opp. Guru Nanak Hospital, Bandra (E), Mumbai 400 051, India
Tel: +91 2267167000; Facsimile +91 2267167077
Email: compliance@milestonetrustee.in
Investor Grievance Email: compliance@milestonetrustee.in
Website: www.milestonetrustee.in
Contact Person : Ms. Vaishali Urkude
SEBI Registration Number: IND000000544



BIGSHARE SERVICES PRIVATE LIMITED

E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka
Andheri East, Mumbai – 400 072
Tel: 02240430200 ; Facsimile: 02228475207
Email: bonds@bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Vipin Gupta
SEBI Registration Number: INR000001385

ISSUE PROGRAMME*

ISSUE OPENS ON: October 5, 2015

ISSUE CLOSES ON: October 9, 2015

*Milestone Trusteeship Services Private Limited has by its letter dated August 20, 2015 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Shelf Prospectus, the Tranche Prospectus (es) and also in all the subsequent periodical communications sent to the holders of the Bonds.

**The Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Tranche I Issue may close on such earlier date or extended date as may be decided by the Board or a duly constituted committee thereof. In the event of an early closure or extension of the Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Tranche I Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3p.m. (Indian Standard Time) and uploaded until 5p.m. or such extended time as may be permitted by the BSE.

A copy of the Shelf Prospectus and Tranche I Prospectus has been filed with the Registrar of Companies, National Capital Territory of Delhi & Haryana in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the section titled “**Material Contracts and Documents for Inspection**” on page 118 of this Tranche I Prospectus.

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SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Tranche I Prospectus to “the Issuer”, “our Company”, “the Company” or “PFC” are to Power Finance Corporation Limited, a public limited company incorporated under the Companies Act, 1956 having its registered office at ‘Urjanidhi’, 1 Barakhamba Lane, Connaught Place, New Delhi 110001, India. Unless the context otherwise indicates, all references in this Tranche I Prospectus to “we” or “us” or “our” are to our Company and its Subsidiaries, Joint Ventures and Associates, on a consolidated basis.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Tranche I Prospectus, and references to any statute or regulations or policies includes any amendments or re-enactments thereto, from time to time.

Company related terms

Term	Description
Articles/ Articles of Association/AoA	Articles of Association of our Company.
Associates	The joint ventures of our Company, being National Power Exchange Limited and Energy Efficiency Services Limited.
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof.
Director	Director of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Joint Ventures	Please refer to the definition of “ Associates ”.
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company.
“Registered Office” or “Corporate Office” or “Registered Office and Corporate Office”	The registered office and corporate office of our Company, situated at ‘Urjanidhi’, 1 Barakhamba Lane, Connaught Place, New Delhi 110001, India.
RoC	Registrar of Companies, National Capital Territory of Delhi & Haryana.
Statutory Auditors/Auditors	The statutory auditors of our Company being M/s K.B. Chandna & Co. and M/s M.K. Aggarwal & Co.
Subsidiaries	The direct and indirect subsidiaries of our Company, as mentioned in the section titled “ History and Certain Corporate Matters ” on page 146 of the Shelf Prospectus.

Issue related terms

Term	Description
Allotment/ Allot/ Allotted	The issue and allotment of the Bonds to successful Applicants pursuant to the Tranche I Issue.
Allotment Advice	The communication sent to the Allottees conveying details of Bonds allotted to the Allottees in accordance with the Basis of Allotment.
Allottee(s)	The successful Applicant to whom the Bonds are Allotted either in full or part, pursuant to the Issue
Applicant/ Investor	A person who applies for the issuance and Allotment of Bonds pursuant to the terms of the Shelf Prospectus and the Tranche I Prospectus and the Application Form.
Application	An application to subscribe to the Bonds offered pursuant to the Tranche I Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the Tranche I Prospectus.
Application Amount	The aggregate value of the Bonds applied for, as indicated in the Application Form for the Tranche I Issue.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe

Term	Description
	to the Bonds and which will be considered as the Application for Allotment of Bonds in terms of the Shelf Prospectus and the Tranche I Prospectus.
“ASBA” or “Application Supported by Blocked Amount” or “ASBA Application”	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 appropriate Application Amount of an ASBA Applicant.
ASBA Applicant	Any Applicant who applies for Bonds through the ASBA process.
Banker(s) to the Issue/ Escrow Collection Bank(s)	The bank(s), which are clearing members and registered with SEBI as bankers to the Issue with whom Escrow Accounts and/or Public Issue Accounts and/or Refund Accounts will be opened, in this case being Axis Bank, HDFC Bank Limited, IndusInd Bank Limited, ICICI Bank Limited, Kotak Mahindra Bank, State Bank of India and YES Bank Limited
Base Issue Size	₹ 100 crores
Basis of Allotment	The basis on which Bonds will be allotted to Applicants under the Tranche I Issue and which is described in “ Issue Procedure – Basis of Allotment ” on page 113 of this Tranche I Prospectus.
Bond Certificate(s)	A certificate issued to the Bondholder(s) who has applied for Allotment of the Bonds in physical form or in case the Bondholder(s) has applied for rematerialisation of the Bonds held by him.
Bondholder(s)	Any person holding the Bonds and whose name appears on the list of beneficial owners provided by the Depositories (in case of bonds in dematerialized form) or whose name appears in the Register of Bondholders maintained by the Issuer (in case of bonds in physical form).
Bonds	Tax free bonds in the nature of secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each having 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 Tranche I Prospectus.
BSE	BSE Limited.
CARE	Credit Analysis & Research Limited.
Category I*	Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended including: • Public Financial Institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, which are authorised to invest in the Bonds; • Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds; • Insurance companies registered with the IRDA; • Foreign Portfolio Investors (“FPI”), Foreign Institutional Investors (“FII”) and sub-accounts (other than a sub account which is a foreign corporate or foreign individual), Qualified Foreign Investors (“QFIs”), not being an individual, registered with SEBI; ** # • National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the GoI and 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 • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

Term	Description
	(*, **, # For details, please see notes at the end of this table)
Category II*	- Companies within the meaning of section 2(20) of the Companies Act, 2013*; - Statutory bodies/corporations*; - Cooperative banks; - Public/ private/ religious/charitable trusts; - Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008; - Societies in India registered under law and eligible to invest in Bonds; - Regional rural banks; - Partnership firms in the name of partners; and - Any other foreign/ domestic legal entities/ persons as may be permissible under the CBDT Notification and authorised to invest in the Bonds in terms of applicable laws.** #
	(*, **, # For details, please see notes at the end of this table)
Category III	The following Investors applying for an amount aggregating to above ₹ 10 lakhs across all Series of Bonds in the Tranche I Issue: - Resident Indian individuals; - QFIs and FPIs being individuals;** # - Eligible NRIs on a repatriation or non – repatriation basis; and - Hindu Undivided Families (“HUF”) through the Karta.
	(**, # For details, please see notes at the end of this table)
Category IV	The following Investors applying for an amount aggregating to up to and including ₹ 10 lakhs across all Series of Bonds in the Tranche I Issue: - Resident Indian individuals; - QFIs and FPIs being individuals;** # - Eligible NRIs on a repatriation or non – repatriation basis; and - Hindu Undivided Families through the Karta.
	(**, # For details, please see notes at the end of this table)
CBDT Notification	Notification No. 59/2015, dated July 6, 2015 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India.
Consolidated Bond Certificate	A single consolidated certificate issued by the Issuer to the Debenture Trustee for the benefit of the Bondholder(s) for the aggregate amount of the Bonds in each Series that are Allotted to them in physical form under Tranche I Issue or rematerialized and held by them.
Consortium Agreement	Consortium Agreement dated September 19, 2015 entered amongst our Company and the Consortium Members for the Issue.
Consortium Members	For the present Issue, in addition to the Lead Managers, it includes A.K. Stockmart Private Limited, Edelweiss Securities Limited and RR Equity Brokers Private Limited.
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CRISIL, ICRA and CARE.
CRISIL	CRISIL Limited.
Debenture Trustee Agreement	The agreement dated August 28, 2015 entered into between the Debenture Trustee and our Company.
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company within three months from the Tranche I Issue Closing Date.
Debenture Trustee/ Trustee	Debenture Trustee for the Bondholders, in this case being Milestone Trusteeship Services Private Limited.
Debt Application Circular	Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012.
Debt Listing Agreement	The Listing Agreement entered into between our Company and the Stock Exchange(s) in connection with the listing of the debt securities of our

Term	Description
	Company.
Deemed Date of Allotment	The date on which the Board of Directors or the duly constituted committee approves the Allotment of the Bonds for the Tranche I Issue or such date as may be determined by the Board of Directors or the duly constituted 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 relating to the Bonds including interest on Bonds shall be available to the Bondholders from the Deemed Date of Allotment.
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form.
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 Accounts and Non-Resident Escrow Accounts to the Public Issue Accounts, Non-Resident Public Issue Accounts or the Refund Account, as appropriate and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) or Non Resident Public Issue Accounts following which the Board shall Allot the Bonds to the successful Applicants, provided that the sums received in respect of the Tranche I Issue will be kept in the Escrow Accounts and Non Resident Escrow Accounts up to this date.
Designated Stock Exchange	BSE.
Direct Online Application	The application made using an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility through a recognized stock exchange .This facility is available only for dematerialised account holders who wish to hold the Bonds pursuant to the Tranche I Issue in dematerialized form.
Draft Shelf Prospectus	The Draft Shelf Prospectus dated September 10, 2015 filed by our Company with the Designated Stock Exchange for receiving public comments, in accordance with the provisions of the SEBI Debt Regulations.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Application or an invitation in the Issue and in relation to whom, the Shelf Prospectus and the Prospectus Tranche - I constitutes an invitation to subscribe the Bonds.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Tranche I Issue (and where an offer or invitation under the Tranche I Issue to such QFIs would not constitute, under applicable laws in such jurisdictions, an offer to the public generally to subscribe for or otherwise acquire the Bonds) and who have opened dematerialised accounts with SEBI registered Qualified Depository Participants.
Equity Listing Agreement	The agreement entered into between our Company and each Stock Exchange in relation to listing of the equity shares on the Stock Exchange(s).
Escrow Accounts	Accounts opened with the Escrow Collection Bank(s) into which the Members of the Syndicate and the Trading Members, as the case may be, will deposit Application Amounts from resident non-ASBA Applicants, in terms of the Shelf Prospectus, Tranche I Prospectus and the Escrow Agreement.
Escrow Agreement	Agreement dated September 16, 2015 entered into amongst our Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Banks for collection of the Application Amounts from non-ASBA

Term	Description
	Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
FII	Foreign Institutional Investor (as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995), registered with the SEBI under applicable laws in India which term shall include the Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as registered with SEBI.
FPI	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
ICRA	ICRA Limited.
Interest Payment Date	The dates on which interest/coupon on the Bonds shall fall due for payment as specified in the Tranche 1 Prospectus. See the section titled “ Terms of the Issue – Payment of Interest on Bonds ” on page 77 of this Tranche I Prospectus
Issue	Public issue by our Company of tax free bonds of face value of ₹ 1,000 each, in the nature of secured, redeemable, non-convertible debentures having benefits under Section 10(15)(iv)(h) of the Income Tax Act, aggregating up to ₹ 700 crores.
Issue Opening Date/ Tranche I Issue Opening Date	October 5, 2015
Issue Closing Date/ Tranche I Issue Closing Date	October 9, 2015
Issue Period/ Tranche I Issue Period	The period between the Tranche I Issue Opening Date and the Tranche I Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Lead Managers/ LMs	Edelweiss Financial Services Limited, A.K. Capital Services Limited, RR Investors Capital Services Pvt. Ltd., Karvy Investor Services Limited.
Market Lot	One Bond.
Members of the Syndicate	Collectively, the Lead Managers, the Consortium Members (for the purpose of marketing of the Issue), sub-consortium members, brokers and sub – brokers registered with the sub-consortium members.
Non Resident Escrow Accounts	Accounts opened with the Escrow Collection Bank(s) into which the Members of the Syndicate and the Trading Members, as the case may be, will deposit Application Amounts from non-resident non-ASBA Applicants, in terms of the Shelf Prospectus, Tranche I Prospectus and the Escrow Agreement.
Non Resident Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Non Resident Escrow Accounts for the Issue and/ or the SCSBs on the Designated Date.
NSE	National Stock Exchange of India Limited.
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(s) 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.
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts for the Issue and/ or the SCSBs on the Designated Date.
QFIs or Qualified Foreign Investor	Person, who is not resident in India, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet ‘Know Your Client’ requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the

Term	Description
	International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.
Qualified Foreign Investors Depository Participant or QFIs DP	Depository Participant for Qualified Foreign Investors
Record Date	Date falling 15 days prior to the relevant Interest Payment Date on which interest amount or the Redemption Dates/Maturity Dates for each Series of Bonds on which the Redemption Amount is due and payable under the terms of this Tranche I Prospectus. In the event that the Record Date falls on a Sunday or a holiday of Depositories or a holiday of our Company, the succeeding Working Day or a date notified by our Company to BSE shall be considered as the Record Date.
Redemption Amount	Amount repayable on the Bonds, comprising the face value of the Bonds, together with coupon/interest accrued at the applicable coupon/interest rate for each Series of Bonds on the respective Redemption Dates or Maturity Dates.
Redemption Date/Maturity Date	The date on which the Bonds will be redeemed, as specified in the Section titled " Terms and Conditions in connection with the Bonds " on page 58 of this Tranche I Prospectus.
Reference G Sec Rate	The average of the base yield of G – sec for equivalent maturity reported by the Fixed Money Market and Derivative Association of India on a daily basis (working day) prevailing for two weeks ending on Friday immediately preceding the filing of the Tranche I Prospectus with the Designated Stock Exchange and the RoC.
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount shall be made (excluding all Application Amounts received from ASBA Applicants).
Refund Bank	HDFC Bank Limited
Register of Bondholders	The Register of Bondholders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and as more particularly detailed in the section titled " Terms of the Issue – Register of Bondholders " on page 65 of this Tranche I Prospectus.
Registrar to the Issue/ Registrar	Bigshare Services Private Limited
Registrar Agreement	Agreement dated September 2, 2015 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
RFPI	FII, FPI and QFI collectively
Security	The security for the Bonds proposed to be issued, being a charge on the book debts of our Company by a first <i>pari passu</i> , and/ or any other security, movable or immovable property pursuant to the terms of the Debenture Trust Deed, to be created within three months of Deemed Date of Allotment, in accordance with the SEBI Debt Regulations and Companies Act, 2013.
"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 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 of Bonds	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 referred to as an individual Series of Bonds in this Tranche I Prospectus.
Shelf Limit	The aggregate limit of the Issue, being ₹ 700 crores to be issued under the

Term	Description
	Shelf Prospectus, through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus dated September 22, 2015, issued and filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations and which shall be valid for a period of one year from the Tranche I Issue Opening date.
Stock Exchanges	BSE and NSE
Syndicate ASBA Application Locations	Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodra and Surat.
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 as may be prescribed by SEBI from time to time.
Trading Members	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the BSE under the applicable byelaws, rules, regulations, guidelines, circulars issued by BSE from time to time and duly registered with the BSE for collection and electronic upload of Application Forms on the electronic application platform provided by BSE.
Tranche I Issue	Issue of the Bonds pursuant to the Tranche I Prospectus.
Tranche I Prospectus	The Tranche Prospectus 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.
“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.
Tripartite Agreements	Tripartite agreement dated September 4, 2015 among our Company, the Registrar and CDSL and tripartite agreement dated September 7, 2015 among our Company, the Registrar and NSDL.
Working Days	All days excluding Sundays or a holiday of commercial banks in New Delhi, except with reference to Tranche I Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post-Tranche I Issue Period, i.e. period beginning from Tranche I 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.

* The MCA has, through its circular (General Circular No. 06/2015) dated April 9, 2015, clarified that companies investing in tax-free bonds wherein the effective yield 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 the loan, there is no violation of sub-section (7) of Section 186 of the Companies Act, 2013.

** Please refer to section titled “**Risk Factors – Our Company will be unable to redeem or buy back the Bonds issued to FPIs, QFIs, FIIs (together “RFPIs”) in the event that listing of the Bonds on the BSE is not completed within 15 days of the issuance**” on Page 44 of the Shelf Prospectus.

Please refer to section titled “**Regulations and Policies - Foreign Tax Account Compliance Act (“FATCA”)**” on page 143 of the Shelf Prospectus.

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
₹ or Rupees or ₹ or Indian Rupees or INR	The lawful currency of India.

Term/Abbreviation	Description/ Full Form
AGM	Annual General Meeting.
AS	Accounting Standards issued by Institute of Chartered Accountants of India.
ASBA	Application Supported by Blocked Amount.
CAGR	Compounded Annual Growth Rate.
CBDT	Central Board of Direct Taxes, Department of Revenue, MoF.
CDR	Corporate Debt Restructuring
CDSL	Central Depository Services (India) Limited.
CEIC	Census Economic Information Centre
Companies Act/ Act	Companies Act, 1956, as amended.
Companies Act, 2013	The Companies Act, 2013 (18 of 2013), to the extent notified by the MCA and in force as on the date of this Tranche I Prospectus
CPI	Consumer Price Index.
CPSE ETF	Exchange Traded Fund of select central public sector enterprises, launched as a mutual fund scheme.
CRAR	Capital to Risk-Weighted Assets Ratio.
CSR	Corporate Social Responsibility.
CTS	Cheque Truncation System.
ESOP	Employee Stock Option Scheme
Depositories Act	Depositories Act, 1996.
Depository(ies)	CDSL and NSDL.
DIN	Director Identification Number.
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996.
DRR	Debenture Redemption Reserve.
DTC	Direct Tax Code.
FCNR Account	Foreign Currency Non Resident Account.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999.
FIMMDA	Fixed Income Money Market and Derivative Association of India.
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year.
FIR	First Information Report.
GDP	Gross Domestic Product.
GoI or Government	Government of India.
HNI	High Networth Individual.
HUF	Hindu Undivided Family.
IAS	Indian Administrative Service.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
IMF	International Monetary Fund.
Income Tax Act	Income Tax Act, 1961.
India	Republic of India.
Indian GAAP	Generally Accepted Accounting Principles followed in India.
IPO	Initial public offering
IRDA	Insurance Regulatory and Development Authority.
ISTS	Inter State Transmission System
IT	Information Technology.
JV	Joint Venture
LIBOR	London Inter-Bank Offered Rate.
MCA	Ministry of Corporate Affairs, GoI.
MoF	Ministry of Finance, GoI.
MoP	Ministry of Power, GoI.
NBFC	Non Banking Financial Company, as defined under applicable RBI guidelines.
NECS	National Electronic Clearing System.
NEFT	National Electronic Fund Transfer.
NHPC	National Hydro-Electric Power Corporation Limited.
NPCIL	Nuclear Power Corporation of India Limited.
NPEL	National Power Exchange Limited.

Term/Abbreviation	Description/ Full Form
NRI or “Non-Resident”	A person resident outside India, as defined under the FEMA.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
NTPC	National Thermal Power Corporation.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PCG	Partial Credit Enhancement Guarantee.
PECAP	Power Equity Capital Advisors Private Limited.
PESB	Public Enterprises Selection Board.
PFCCAS	PFC Capital Advisory Services Limited.
PFCCL	Power Finance Corporation Consulting Limited.
PFCGEL	PFC Green Energy Limited.
PFI	Public Financial Institution, as defined under Section 2(72) of the Companies Act, 2013
PGCIL	Power Grid Corporation of India Limited.
PPP	Public Private Partnership.
PTC	PTC India Limited.
PXIL	Power Exchange India Limited.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934 as amended.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended.
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended.
USAID	United States Agency for International Development
WPI	Wholesale Price Index

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
ADB	Asian Development Bank.
ALCO	Asset Liability Management Committee.
APDP	Accelerated Power Development Program.
APDRP	Accelerated Power Development Reform Program.
AT&C	Aggregated Technical and Commercial.
CDM	Clean Development Mechanism
CEA	Central Electricity Authority.
CERC	Central Electricity Regulatory Commission
DPE	Department of Public Enterprises, GoI.
ECBs	External Commercial Borrowing.
FCNR	Foreign Currency Non-Resident.
IFC	Infrastructure Finance Company
IPP	Independent Power Producer
IRM	Integrated Enterprise wide Risk Management.
ISO	International Organization for Standardization.
ITP	Independent Transmission Projects.
LIC	Life Insurance Corporation of India
MNRE	Ministry of New and Renewable Energy.
MoU	Memorandum of Understanding.
NPAAs	Non-Performing Assets.
PSU	Public Sector Undertaking.
R-APDRP	Restructured Accelerated Power Development and Reform Programs.
SEB	State Electricity Boards.
SERC	State Electricity Regulatory Commission.
SLR	Statutory Liquidity Ratio

Term/Abbreviation	Description/ Full Form
SPU	State Power Utilities.
SPV	Special Purpose Vehicle.
STL	Short Term Loan.
TRA	Trust and Retention Account.
UMPP	Ultra Mega Power Projects.
UTI	Unit Trust of India
WCDL	Working Capital Demand Loan.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled “**Capital Structure**”, “**Regulations and Policies**”, “**History and Certain Corporate Matters**”, “**Our Management**”, “**Financial Indebtedness**” and “**Outstanding Litigation and Material Developments**” on pages 87, 137, 146, 156, 170 and 199 of the Shelf Prospectus and sections titled “**Statement of Tax Benefits**” and “**Issue Procedure**” on pages 96 and 251 respectively, shall have the meanings ascribed to them in these respective sections.

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

Certain Conventions

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

Financial Data

Unless stated otherwise, the financial data in this Tranche I Prospectus is derived from our audited standalone financial statements, prepared in accordance with Indian GAAP and the applicable Companies Act for the fiscals 2015, 2014, 2013, 2012 and 2011. All decimals have been rounded off to two decimal points. The audits for the financial year ended March 31, 2015 and March 31, 2014 were conducted jointly by M/s N.K. Bhargava & Co., Chartered Accountants and M/s K.B. Chandna & Co., Chartered Accountants, for the year ended March 31, 2013 and March 31, 2012 were conducted jointly by M/s Raj Har Gopal & Co., Chartered Accountants and M/s N.K. Bhargava & Co., Chartered Accountants, and for the year ended March 31, 2011 were conducted by M/s Raj Har Gopal & Co., Chartered Accountants jointly with M/s Mehra Goel & Co., Chartered Accountants.

The 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 the 12 months period commencing on April 1 of the immediately preceding calendar year and ended on March 31 of that year. The degree to which the Indian GAAP financial statements included in this Tranche I Prospectus 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 this Tranche I Prospectus should accordingly be limited.

Currency and Unit of Presentation

In this Tranche I Prospectus, references to “₹”, “Indian Rupees”, “INR” and “Rupees” are to the legal currency of India, references to “US\$”, “USD”, and “U.S. dollars” are to the legal currency of the United States of America, references to “Yen”, “JPY” and “¥” are to the legal currency of Japan, references to “DM” are to the erstwhile legal currency of Germany, references to “FRF” are to the erstwhile legal currency of France and references to “Euro” or “€” or “EUR” are to the Euro, the single currency of the participating member states in the third stage of the European Economic and Monetary Union of the Treaty establishing the European Community, as amended from time to time. Except as stated expressly, for the purposes of this Tranche I Prospectus, data will be given in ₹ in crores.

Industry and Market Data

Any industry and market data used in this Tranche I Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources available in the public domain 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, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in this Tranche I Prospectus is reliable, it 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 to which the industry and market data presented in this Tranche I Prospectus is meaningful depends on 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.

Exchange Rates

The exchange rates (in ₹) of the USD, JPY and Euro as for last 5 years are provided below:

Currency	March 31, 2015	March 31, 2014	March 31, 2013**	March 31, 2012*	March 31, 2011
USD	63.06	60.49	54.80	51.5300	45.1400
JPY	0.5263	0.5903	0.5847	0.6318	0.5484

Currency	March 31, 2015	March 31, 2014	March 31, 2013**	March 31, 2012*	March 31, 2011
EURO	68.42	83.48	70.28	69.0500	63.9900

(Source: SBI TT Selling rates)

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

*** March 31, 2013 and March 30, 2013 were Sunday and Saturday, respectively, and March 29, 2013 was a holiday; hence, exchange rates for the last working day of March, i.e., March 28, 2013 have been used.*

Further, in case of specific provision in the loan agreement for a rate other than the SBI TT selling rate, the rate has been taken as prescribed as in the respective loan agreement.

In this Tranche I Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Tranche I Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Tranche I Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to manage our credit quality;
- interest rates and inflation in India;
- inability to take advantage of certain tax benefits or if there are adverse changes to the tax regime in the future;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- growth prospects of the Indian power sector and related policy developments;
- changes in the demand and supply scenario in the power sector in India;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition in the Indian and international markets;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in the Shelf Prospectus, including under the section titled “**Risk Factors**” on page 16 of the Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “**Our Business**” and “**Outstanding Litigation and Material Developments**” on page 112 and 119 respectively of the Shelf Prospectus. The forward-looking statements contained in this Tranche I Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II-INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as Power Finance Corporation Limited on July 16, 1986 as a public limited company under the Companies Act, 1956 and was granted a certificate of commencement of business on December 31, 1987. We were incorporated by the GoI in order to finance, facilitate and promote power sector development in India with the President of India, acting through the MoP, holding 100% of our paid up equity share capital at the time of incorporation. The President of India, acting through the MoP, currently holds 67.80 % of our paid up Equity Share capital. For further details, see the section titled “*History and Certain Corporate Matters*” on page 146 of the Shelf Prospectus.

Registered and Corporate Office

‘Urjanidhi’,
1, Barakhamba Lane,
Connaught Place,
New Delhi - 110 001, India.
Telephone: + 91 11 2345 6000
Facsimile: + 91 11 2341 2545
Website: www.pfc.gov.in & www.pfcindia.com

For details on changes in our Registered Office, see the section titled “*History and Certain Corporate Matters*” on page 146 of the Shelf Prospectus.

Registration

Details	Registration/Identification number
Company registration number	24862
Corporate Identification Number	L65910DL1986GOI024862
RBI registration number classifying Company as an IFC	B-14.00004
RBI registration for carrying out the business of an NBFC	14.00004

Address of the Registrar of Companies

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

Director (Finance)

Mr. Radhakrishnan Nagarajan
‘Urjanidhi’,
1, Barakhamba Lane,
Connaught Place,
New Delhi - 110 001, India.
Telephone: +91 11 2345 6000
Facsimile: +91 11 2341 2545

Company Secretary and Compliance Officer

Mr. Manohar Balwani
‘Urjanidhi’,
1, Barakhamba Lane,
Connaught Place,

New Delhi - 110 001, India.

Telephone: +91 11 2345 6000

Facsimile: +91 11 2341 2545

E-mail: taxfreebonds15-16@pfcindia.com

Investors can 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, credit of Allotted Bonds in beneficiary accounts, Bond Certificates (for Applicants who have applied for Allotment in physical form), refund orders and interest on the Application Amounts.

All grievances relating to the Tranche I 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 centre 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 Trading Members may be addressed directly to the Designated Stock Exchange.

Lead Managers to the Issue

Edelweiss Financial Services Limited*

Edelweiss House

Off CST Road, Kalina, Mumbai 400 098

Maharashtra, India Tel: +91 22 4086 3535;

Facsimile: +91 22 4086 3610

Email: pfctf2015@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

***Note:**

1. *Edelweiss Financial Services Limited, along with other merchant bankers appointed by CARE Limited for its IPO, have filed an Appeal before 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 appointed by Electrosteel Steels Limited for its IPO, have received a Show Cause Notice dated September 20, 2013 issued by SEBI in the matter of IPO of Electrosteel Steels Limited.*

A. K. Capital Services Limited

30-39 Free Press House, 3rd Floor,

Free Press Journal Marg, 215, Nariman Point,

Mumbai 400 021, Maharashtra, India

Tel: +91 22 6754 6500/ 6634 9300;

Facsimile: +91 22 6610 0594

Email: pfctfbonds4@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

RR Investors Capital Services Private Limited

47, M.M. Road, Rani Jhansi Marg,
Jhandewalan, New Delhi 110055,
Delhi, India
Tel: +91 11 2363 6362;
Facsimile: +91 11 2363 6746
Email: pfctaxfree2015@rrfcl.com
Investor Grievance Email: investors@rrfcl.com
Website: www.rrfcl.com/www.rrfinance.com
Contact Person: Mr. Anurag Awasthi
Compliance Officer: Mr. Ravi Kant Goyal
SEBI Registration No.: INM000007508

Karvy Investor Services Limited

701, Hallmark Business Plaza
7th Floor, Sant Dyaneshwar Marg,
Off Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
Tel: +91 22 6149 1500
Facsimile: +91 22 6149 1515
Email: pfctaxfree2015@karvy.com
Investor Grievance Email: igmbd@karvy.com, cmg@karvy.com
Website: www.karvy.com
Contact Person: Mr. Bhavin Vakil/ Rohan Menon
Compliance Officer: Mr. V
Madhusudhan Rao
SEBI Registration No.: INM000008365

Consortium Members to the Issue

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

A.K. Stockmart Private Limited

30-39, Free Press House, Free Press Journal Marg,
215,
Nariman Point, Mumbai — 400 021
Tel: 022-67546500
Fax: 022-67544666
E-mail: ankit@akgroup.co.in
Investor Grievance E-mail Id:
stockmart@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Mr. Ankit Gupta and Mr. Sanjay Shah
Compliance Officer: Mr. Ankit Gupta
SEBI Registration No: INB231269532(NSE) /
INB011269538(BSE)

Edelweiss Securities Limited

2nd Floor, M. B. Towers, Plot No. 5, Road No. 2,
Banjara Hills,
Hyderabad 500 034
Tel: (91 22) 4063 5569
Fax: (91 22) 6747 1347
E-mail: pfctf2015@edelweissfin.com
Investor Grievance Email:
Customercare@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Prakash Boricha
Compliance Officer: Mr. Pravin Bathe
SEBI Registration No.: INBO I 1193332 (BSE)/
INB231193310 (NSE)/ INB261193396 (MCX-SX)

RR Equity Brokers Private Limited

47, M.M Road, Rani Jhansi Marg, Jhandewalan, New
Delhi - 110055
Tel: 011-23636362/63
Fax: 011-23636746
E-mail: jeetesh@rrfcl.com
Investor Grievance E-mail Id: investors@rrfcl.com
Website: www.rrfinance.com/www.rrfcl.com

Contact Person: Mr. Jeetesh Kumar
Compliance Officer: Mr. Vivek Garg.
SEBI Registration Number: INB011219632 (BSE) /
INB231219636 (NSE)

Debenture Trustee to the Issue

Milestone Trusteeship Services Private Limited
602, Hallmark Business Plaza, Sant Dayaneshwar Marg,
Opp. Guru Nanak Hospital, Bandra (E),
Mumbai 400 051, India
Tel: +91 22 67167000; Facsimile +91 22 67167077
Email: compliance@milestonetrustee.in
Website: www.milestonetrustee.in
Investor Grievance ID: compliance@milestonetrustee.in
Contact Person: Ms. Vaishali Urkude
SEBI Registration Number: IND000000544

Milestone Trusteeship Services Private Limited has given its consent to the Issuer for its appointment under regulation 4 (4) of SEBI Debt Regulations and for its name to be included in the Shelf Prospectus, the Tranche Prospectus (es) and also in all the subsequent periodical communications sent to the holders of the Bonds. For the consent letter of the Debenture Trustee, see **Annexure C** of the Shelf Prospectus.

Registrar to the Issue

Bigshare Services Private Limited

E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka
Andheri East, Mumbai 400 072
Maharashtra, India
Tel: +91 22 40430200; Facsimile: +91 22 28475207
Investor Grievance Email: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Vipin Gupta
SEBI Registration Number: INR000001385

Statutory Auditors

M/s K.B. Chandna & Co
Chartered Accountants,
E-27, South Extension – II,
New Delhi -110049
Tel: +91 11 26252762
Email: kbc.chandna@gmail.com
ICAI Firm Registration no.: 000862N
Auditor of our Company since: FY 2013-14

M/s M.K. Aggarwal & Co.
Chartered Accountants,
30, Nishant Kunj, Pitampura,
New Delhi –110034
Tel: +91 11 27355151
Email: mka@mkac.in
ICAI Firm Registration no.: 01411N
Auditor of our Company since: FY 2015-16

Legal Counsel to the Issue

Khaitan & Co

One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai 400 013,
Maharashtra, India
Telephone: +91 22 6636 5000
Facsimile: +91 22 6636 5050

Bankers to our Company

State Bank of India

Chanderlok Building
36, Janpath
New Delhi 110 001, India.
Tel: +91 11 2332 9831
Fax: +91 11 2373 9198
Email: sbi.01639@sbi.co.in
Website : www.statebankofindia.com
Contact Person: Mrs. Sikata Guru

IDBI Bank Limited

Indian Red Cross Building
1, Red Cross Road
New Delhi - 110 001, India.
Tel: +91 11 6628 1050
Fax: +91 11 2375 2730
Email: rajiv.sharma@idbi.co.in
Website: www.idbi.com
Contact Person: Mr. Rajeev Sharma

HDFC Bank Limited

FIG – OPS Department
Lodha, I Think Techno Campus
O-3 Level (Next to Kanjurmarg Railway Station)
Kanjurmarg (East)
Mumbai – 400 042, India.
Tel: +91 22 3075 2928
Fax: +91 22 2579 9801
Email: uday.dixit@hdfcbank.com/
figdelhi@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Uday Dixit

Escrow Collection Banks/ Bankers to the Issue**Axis Bank**

Statesman House, 148 Barakhamba Road
Connaught Place, New Delhi – 11000, India
Tel: +91 9582800072, 9891846758
Fax: +91 11 23311054
Email: Gaurav.tandon@axisbank.com
Newdelhi.operationshead@axisbank.com
Website: www.axisbank.com
Contact Person: Ms. Geetanjali Rawat/
Mr. Gaurav Tandon

IndusInd Bank Limited

IndusInd Bank Limited, Cash Management Services
PNA House, 4th Floor, Plot No. 57 & 57/1, Road No. 17,
Near SRL, MIDC, Andheri(East)
Mumbai- 400093, India
Tel: +91 22 6106 9228
Fax: +91 22 6106 9315
Email: sanjay.vasarkar@indusind.com
Website: www.indusind.com
Contact Person: Mr Sanjay Vasarkar

Bank of India

Janpath Branch
66, Janpath
New Delhi – 110 001, India.
Tel: +91 11 2332 0986
Fax: +91 11 2335 0944
Email: janpath.newdelhi@bankofindia.co.in
Website: www.bankofindia.com
Contact Person: Mr. K.K. Jain/Mr. D.V. Reddy

ICICI Bank Limited

9-A, Phelps Building
Connaught Place
New Delhi - 110 001, India.
Tel: +91 11 4308 4067
Fax: +91 11 6631 0410
Email: ashish.sabharwal@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Ashish Sabharwal

Andhra Bank

M-35, Connaught Circus
Outer Circle
New Delhi - 110 001, India.
Tel: +91 11 2341 5616
Fax: +91 11 2341 6043
Email: bmdel084@andhrabank.co.in
Website: www.andhrabank.in
Contact Person: Mr. Satyaban Behera

HDFC Bank Limited

FIG – OPS Department
Lodha, I Think Techno Campus
O-3 Level (Next to Kanjurmarg Railway Station)
Kanjurmarg (East)
Mumbai – 400 042, India.
Tel: +91 22 3075 2928
Fax: +91 22 2579 9801
Email: uday.dixit@hdfcbank.com/
figdelhi@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Uday Dixit

ICICI Bank Limited

Capital Market Division, 1st floor
122, Mistry Bhavan, Dinshaw Vachha Road,
Backbay Reclamation, Churchgate,
Mumbai – 400 020, India
Tel: +91 22 2285 9922
Fax: +91 22 2261 1138
Email: rishav.bagrecha@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Rishav Bagrecha

Kotak Mahindra Bank

Kotak Infiniti, 6th Floor, Building No. 21,
Infinity Park, Off Western Express Highway,
General AK Vaidya Marg, Malad (E),
Mumbai – 400 097, Maharashtra
Tel: +91 22 6605 6588
Fax: +91 22 6646 6540
Email: prashant.sawant@kotak.com
Website: www.kotak.com
Contact Person: Mr. Prashant Sawant

State Bank of India

Capital Market Branch, Videocon Heritage Building,
Charanjit Rai Marg, Off D N Road, Fort,
Mumbai – 400 001, India
Tel: +91 22 2209 4932/ 2209 4927
Fax: +91 22 2209 4921
Email: nib.11777@sbi.co.in
Website: www.sbi.co.in
Contact Person: Mrs Leena Kamat – Assistant
Manager
Mr R Subramaniam – Chief Manager & COO

YES Bank Limited

Yes Bank Limited, 3rd Floor, Building No. 8,
Tower A, DLF Cyber City,
Gurgaon – 122 002
Tel: +91 124 4619119, 9818988637, 9990585653,
9311098476
Fax: +91 0124 4147193
Email: qumarey.khan@yesbank.in,
Varun.kathuria@yesbank.in,
suresh.pandey@yesbank.in
Website: www.Yesbank.in
Contact Person: Mr Qumarey Khan, Mr Varun
Kathurai, and Mr Suresh Pandey

Refund Bank to the Issue**HDFC Bank Limited**

FIG – OPS Department
Lodha, I Think Techno Campus
O-3 Level (Next to Kanjurmarg Railway Station)
Kanjurmarg (East)
Mumbai – 400 042, India.
Tel: +91 22 3075 2928
Fax: +91 22 2579 9801
Email: uday.dixit@hdfcbank.com/ figdelhi@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Uday Dixit

Self Certified Syndicate Banks

The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 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.

Trading Members

Individuals or companies registered with SEBI as “trading members” who hold the right to trade in stocks listed on BSE, through whom investors can buy or sell securities listed on the BSE, a list of which are available on BSE.

Credit Rating Agencies**CRISIL Limited**

CRISIL House, Central Avenue
Hiranandani Business Park, Powai

Mumbai 400 076, India.
Tel: +91 22 3342 3000
Fax: +91 22 3342 3050
Website: www.crisil.com
SEBI Registration Number: IN/CRA/001/1999

ICRA Limited

Building No. 8, 2nd Floor, Tower A,
DLF Cyber City, Phase- II,
Gurgaon 122 002, India
Tel: +91 124 4545 300
Fax: +91 124 4545 350
Website: www.icra.in
SEBI Registration Number: IN/CRA/003/1999

Credit Analysis and 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

Credit Rating and Rationale

CRISIL has assigned a rating of ‘CRISIL AAA/Stable’ to the long term borrowing programme of our Company for an amount upto ₹ 50,000 crores for Fiscal 2016, by its letter dated April 7, 2015 and revalidated the said rating *vide* its letters dated June 23, 2015, August 27, 2015 and September 16, 2015. ICRA has assigned a rating of ‘[ICRA] AAA’ to the long term borrowing programme of our Company (including bonds and long term bank borrowing) for an amount upto ₹ 60,000 crores for Fiscal 2016 by its letters dated April 8, 2015 and revalidated the said rating *vide* its letters dated June 22, 2015, August 31, 2015 and September 17, 2015. CARE has assigned its rating of ‘CARE AAA’ to overall borrowing programme of our Company for an amount upto ₹ 60,000 crores (including short term borrowing aggregating to ₹ 10,000 crores as a sub-limit) for Fiscal 2016 by its letter dated April 7, 2015 and revalidated the said rating *vide* its letter dated June 22, 2015, August 31, 2015 and September 17, 2015. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations and such instruments carry lowest credit risk. For details, see the section titled “**Terms and Conditions in Connection with the Bonds**” on page 58 of this Tranche I Prospectus.

For the rationale for these credit ratings, see **Annexure B** of the Shelf Prospectus.

Expert Opinion

Except for the report dated August 26, 2015 on our reformatted financial statements (standalone and consolidated) for the fiscals 2015, 2014, 2013, 2012 and 2011 and the statement of tax benefits issued by our Auditors, our Company has not obtained any expert opinions in relation to the Tranche I Issue.

Minimum Subscription

In terms of the SEBI Circular no. CIR/IMD/DF/12/ 2014 dated June 17, 2014, for issuers issuing tax free bonds, as specified by CBDT, minimum subscription limit is not applicable. 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 Tranche I Issue.

Issue Programme for the Tranche I Issue

ISSUE PROGRAMME*

ISSUE OPENS ON	ISSUE CLOSES ON
October 5, 2015	October 9, 2015

* The Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Tranche I Issue may close on such earlier date or extended date as may be decided by the Board. In the event of an early closure or extension of the Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Tranche I Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3p.m. (Indian Standard Time) and uploaded until 5p.m. or such extended time as may be permitted by the BSE.

APPLICATIONS FORMS FOR THE TRANCHE I ISSUE WILL BE ACCEPTED ONLY BETWEEN 10 A.M. AND 5 P.M. (INDIAN STANDARD TIME) OR SUCH EXTENDED TIME AS MAY BE PERMITTED BY THE STOCK EXCHANGE, DURING THE TRANCHE I 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 DESIGNATED STOCK EXCHANGE, AS THE CASE MAYBE, AT THE CENTERS 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 CENTERS OF THE MEMBERS OF THE SYNDICATE OR THE TRADING MEMBERS OF THE DESIGNATED STOCK EXCHANGE, AS THE CASE MAYBE, ONLY AT THE SPECIFIED CITIES. ON THE TRANCHE I ISSUE CLOSING DATE THE APPLICATION FORMS WILL BE ACCEPTED ONLY BETWEEN 10A.M. AND 3P.M. (INDIAN STANDARD TIME) AND UPLOADED UNTIL 5P.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 TRANCHE I ISSUE CLOSING DATE, APPLICANTS ARE ADVISED TO SUBMIT THEIR APPLICATION FORMS ONE DAY PRIOR TO THE TRANCHE I ISSUE CLOSING DATE AND NOT LATER THAN 3P.M (INDIAN STANDARD TIME) ON THE TRANCHE I ISSUE CLOSING DATE. APPLICANTS ARE CAUTIONED THAT IN THE EVENT IF A LARGE NUMBER OF APPLICATIONS ARE RECEIVED ON THE TRANCHE I 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 TRANCHE I ISSUE. APPLICATION FORMS WILL ONLY BE ACCEPTED ON WORKING DAYS DURING THE TRANCHE I ISSUE PERIOD. NEITHER OUR COMPANY, NOR THE MEMBERS OF THE SYNDICATE OR TRADING MEMBERS OF THE DESIGNATED STOCK EXCHANGE 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.

RECENT DEVELOPMENT

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”**, **“Our Management”**, **“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 Tranche I Prospectus, 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.

OBJECTS OF THIS TRANCHE I ISSUE

Issue Proceeds

The CBDT has by Notification no. 59/2015 dated July 6, 2015 authorised our Company to issue tax free, secured, redeemable, non-convertible bonds aggregating to ₹ 1,000 crores in Fiscal 2016 out of which our Company has already raised on July 17, 2015, an amount of ₹ 300 crores on a private placement basis through an information memorandum dated July 15, 2015. Our Company proposes to raise the balance amount of ₹ 700 crores through a public issue of the Bonds in one or more tranches prior to March 31, 2016, pursuant to approval by its Board by its resolution dated February 11, 2015.

The funds raised through Issue will be utilised towards on-lending to infrastructure projects. Such 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 main objects clause of the Memorandum of Association permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through the Tranche I Issue. Further, in accordance with the SEBI Debt Regulations, our Company shall not utilize the proceeds of this Tranche I Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company or any of our Subsidiaries. Our Company is a public sector enterprise and as such, there are no identifiable group companies or companies under the same management.

Purpose for which there is a requirement of funds

As stated in this section.

Funding Plan

Not Applicable

Summary of the project appraisal report

Not Applicable

Schedule of implementation of the Project

Not Applicable

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board of Directors of our Company shall ensure the utilisation of the proceeds of the Tranche I Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from April 1, 2015, the utilization of the proceeds of this Tranche I Issue under a separate head along with details, if any, in relation to all such proceeds of this Tranche I Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche I Issue. Further, in accordance with the Debt Listing Agreement, our Company will furnish to the Designated Stock Exchange on a half yearly basis, a statement indicating utilisation of Issue proceeds. We shall utilize the proceeds of this Tranche I Issue only upon execution of the documents for creation of security as stated in the section titled as "**Terms of the Issue**" on page 63 of this Tranche I Prospectus and upon the listing of the Bonds.

We propose to issue Bonds to Eligible NRIs (on a non repatriable as well as repatriable basis), to RFPIs under Foreign Exchange Management (Borrowing and Lending in Rupees) Regulation, 2000 as amended from time to time. Monies received from non residents shall be used as per relevant regulations/guidelines/clarifications by RBI from time to time. To ensure compliance with the afore-mentioned our Company shall open and maintain separate escrow account with respect to non residents including NRIs and RFPIs i.e. Non Resident Escrow Account. All application monies received from non residents including NRIs, and RFPIs shall be deposited in Non Resident Escrow Accounts to be maintained with one or more Escrow Collection Banks. Upon Allotment of Bonds, monies from Non Resident Escrow Accounts shall be transferred to separate Non Resident Public Issue Accounts which shall be different from Public Issue Account for residents. Our Company shall ensure that any

monies transferred to our Company's bank account from Non Resident Public Issue Accounts shall be utilized only in accordance with and subject to the restrictions contained in the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000, and various rules, regulations or clarification issued from time to time.

Tranche I Issue expenses

A portion of this Tranche I Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses, which shall be specified in at the Tranche I Prospectus:

Particulars	Amount (₹ in crores)	Percentage of net proceeds (Issue proceeds less Issue expenses) of the Tranche I Issue	Percentage of total expenses of the Tranche I Issue (in %)
Fees payable to Intermediaries			
Lead Managers (₹ 1)	0.00	0.00%	0%
Registrar to the Issue	0.05	0.01%	1%
Advertising and marketing	0.63	0.09%	14%
Selling and Brokerage commission	3.10	0.45%	68%
Other Issue Expenses	0.77	0.11%	17%
Total	4.55	0.65%	100%

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche I 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 the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 15 per Application Form procured (inclusive of service tax and other applicable taxes). 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.

Other Confirmations

Further, our Company undertakes that Issue proceeds from the 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 extant RBI regulations.

The Tranche I Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, among other things, by way of a lease, of any immovable property.

No part of the proceeds from Issue will be paid by us as consideration to our Promoter, Directors, Key Managerial Personnel or companies promoted by our Promoter.

Our Company confirms that it will not use the proceeds of the Tranche I Issue for the purchase of any business or in the purchase of any interest in any business, whereby our Company shall become entitled to the capital or profit or losses or both in such business, the acquisition of any immovable property or acquisition of securities of any other body corporate.

We shall utilise the Tranche I Issue proceeds only on execution of documents for creation of Security as stated in this Tranche I Prospectus under “**Terms of the Issue**” on page 63 of the Tranche I Prospectus and on the listing of the Bonds.

Variation in terms of contract or objects in Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of a contract referred to in the Shelf Prospectus or objects for which the Shelf Prospectus is issued, except subject to the approval of, or except subject to an authority given by the Shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

Benefit / interest accruing to Promoter/Directors out of the object of the Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of this Tranche I Issue

STATEMENT OF TAX BENEFITS

Under the current tax laws, the following possible tax benefits, inter alia, will be available to the Bond Holder. 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 Bond Holder 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 on interpretation of provisions where under the contents of his statement of tax benefit is formulated may be considered differently by income tax authority, government, tribunals or court. We are not liable to the Bond Holder 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 the Central Government vide notification no 59/2015.F.No.178/27/2015-(ITA.1) dated 6th July, 2015 authorizes the Company to issue during the Financial year 2015 - 16, tax free, secured, redeemable, non-convertible bonds for the aggregate amount of ₹ 1000 crores subject to the other following conditions that –
- i) Retail Individual Investors, Qualified Institutional Buyers, Corporates and High Net Worth Individuals shall be eligible to subscribe to the bonds.
 - Qualified Institutional Buyers shall have the same meaning as assigned to them in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.
 - Retail individual investors means those individual investors, Hindu Undivided Family (through Karta), and Non Resident Indians (NRIs), on repatriation as well as non repatriation basis, applying for upto rupees ten lakh in each issue and individual investors investing more than rupees ten lakh shall be classified as High Net worth Individuals.
 - ii) It shall be mandatory for the subscribers to furnish their Permanent Account Number to the issuer.
 - iii) The holder of such bonds must register his or her name and the holding with the issuer.
 - iv) The tenure of the bonds shall be ten, fifteen or twenty years.
 - v) There shall be ceiling on the coupon rates based on the reference G-sec rate. The ceiling coupon rate for AAA rated issuers shall be reference G-sec rate less 55bps in case of Retail Institutional Investors and G-sec rate minus 80 bps in case of Qualified Institutional Buyers, Corporates and High Net worth Individuals. The interest shall be payable annually.
 - vi) The higher rate of interest, applicable to retail investors, shall not be available in case the bonds are transferred by Retail individual investors to non –retail investors.
- (b) Section 10(15)(iv)(h) of Income Tax Act, 1961 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 Sec 14A (1), no deduction shall be allowed in respect of expenditure incurred by the assessee 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. Power Finance Corporation is a public sector company as it is a Government company as defined under Section 2(45) of the Companies Act, 2013.

- (c) Since the interest Income on these bonds is exempt, no Tax Deduction at Source is required on the same.

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 read with third proviso to Section 48, capital gains arising on the transfer of long term capital assets being listed bonds are subject to tax at the rate of 10% of capital gains calculated 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 of the bonds from the sale consideration.

Specifically provided in 3rd proviso to Section 48 that indexation shall not be applied to long term capital gain arising from transfer of LTCG being bond or debenture other than capital Indexed Bonds.

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 Bonds.

In case of an individual or HUF, being a resident, where the total income (including short term capital gains) as reduced by the long term capital gains is below the maximum amount not chargeable to tax i.e. ₹ 2,50,000 in case of all individuals, ₹ 3,00,000 in case of resident senior citizens and ₹ 5,00,000 in case of resident very senior citizens, 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.

A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge wherever applicable) is payable by all categories of tax payers. The above tax rates and rates of cess are the current applicable rates and subject to change.

- (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 provisions of the I.T. Act, 1961.

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

- (c) Under Section 54 EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains arising to the all bondholders on transfer of their bonds, 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. 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. Where the benefit of

Section 54 EC of the Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under Section 80 C of the Act. The investment made in the notified bonds by an assessee in any financial year cannot exceed ₹ 50 Lakh. At present notified bonds are issued by National Highways Authority of India (NHAI) and Rural Electrification Corporation Ltd. (REC).

- (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 Bond Holder 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 (only in India), then such gains would be chargeable to tax on a proportionate basis.

Provided that the said bond holder should not own more than one residential house at the time of such transfer. 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 Bond Holder 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.

The net consideration which is not appropriated towards the purchase of new asset made within one year before the date on which the transfer of original asset (bonds) took place, or which is not utilized for the purchase or construction of new house before the date of furnishing the return of income under Section 139, shall be deposited by him before furnishing such return in an account in bank or institution as may be specified in, and utilized in accordance with, any scheme which the Central Government may by notification in Official Gazette, frame in this behalf. The amount if any, already used for the purchase or construction of the new house together with the amount so deposited shall be deemed to be the cost of the new asset.

Provided that if the amount deposited under this sub-Section is not utilised wholly or partly for the purchase or construction of the new asset within the period specified in sub-Section (1), then, such unutilized amount shall be charged under Section 45 as income of the previous year in which the period of three years from the date of the transfer of the original asset expires; and (ii) the bondholder shall be entitled to withdraw the un-utilised amount in accordance with the scheme aforesaid.

- (e) Under Section 195 of the Income Tax Act, Income Tax shall be deducted from sum payable to non residents on the long term capital gain at the rate of 20% (plus applicable surcharge and education cess) and short term capital gain at the normal rate of tax (plus applicable surcharge and education cess) arising on sale of bonds.

As per Section 90(2) of the IT Act, the provision of the IT Act would not prevail over the provision of the tax treaty applicable to the non-resident to the extent such tax treaty provisions are more beneficial to the non resident. Thus, a non resident can opt to be governed by the beneficial provisions of an applicable tax treaty

- (f) As per Section 115AD of the Income Tax Act, 1961, the income by way of short term capital gains or long term capital gains (not covered under Section 10(38) of the IT Act) realized by FIIs on sale of security in the Company would be taxed at the following rates.

- i) Short term capital gains- 30% (plus applicable surcharge and education cess).
- ii) Long term capital gains - 10% without cost indexation (plus applicable surcharge and education cess)

The above tax rates are the current applicable rates and subject to change.

- (g) However, as per Section 196D, no deduction of tax shall be made from income arising by way of capital gain to Foreign Institutional Investors.

3. Bonds held as stock in trade

In case the Bonds are held as stock in trade, the income / loss on transfer of bonds would be treated as business income or loss in accordance with and subject to the provisions of the Income Tax Act, 1961.

4. Taxation on gift

As per Section 56(2)(vii) 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 received or any property received—

- i) From any relative* including in case of HUF, any member thereof; or
- ii) On the occasion of the marriage of the individual; or
- iii) Under a will or by way of inheritance; or
- iv) In contemplation of death of the payer; or
- v) From any local authority as defined in the Explanation to clause (20) of Section 10; or
- vi) 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
- vii) From any trust or institution registered under Section 12AA.

* for definition of relative please refer clause V of the aforesaid Section.

B. WEALTH TAX

Wealth-tax Act, 1957 has been abolished w.e.f. April 1, 2015 hence no wealth tax shall be levied on investment in Bonds.

For K.B. Chandna & Co.
Chartered Accountants
Firm's Regn. No.: 000862N

For M. K. Aggarwal & Co.
Chartered Accountants
Firm's Regn. No.: 01411N

CA V.K. Gureja
Partner
Membership no. 016521

CA Atul Aggarwal
Partner
Membership no. 099374

DATED: SEPTEMBER 7, 2015

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The CBDT has *vide* its Notification no. 59/2015 dated July 6, 2015, authorised our Company to issue taxfree, secured, redeemable, non-convertible bonds aggregating to ₹ 1,000 crores in Fiscal 2016 out of which our Company has raised an amount of ₹ 300 crores on a private placement basis through disclosure document dated July 15, 2015. Our Company proposes to raise balance amount of upto ₹ 700 crores through this Issue of the Bonds in one or more tranches prior to March 31, 2016, pursuant to approval of its Board by a resolution dated February 11, 2015.

As per Section 31 of Companies Act, 2013, any class of companies as prescribed by SEBI, may file a Shelf Prospectus. Regulation 6A of the SEBI Debt Regulations prescribes those class of companies or entities who may file a Shelf Prospectus and includes amongst other classes or entities, those companies who have been authorized by the CBDT to make public issue of tax free secured bonds. As stated above, the CBDT *vide* its Notification no. 59/2015 dated July 6, 2015 has authorised our Company to issue taxfree, secured, redeemable, non-convertible bonds. Therefore, our Company is eligible as per the SEBI Debt Regulations to file for a Shelf Prospectus.

Subject to the Memorandum and Articles of Association of our Company, the Shareholders of our Company have passed a special resolution through postal ballot under Section 180 (1)(c) of the Companies Act, 2013 and rules made thereunder, as amended from time to time, authorising the Board to borrow from time to time to the extent it deems requisite for the purpose of the business (apart from temporary loans obtained in the ordinary course of business) notwithstanding that such borrowing may exceed the aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose), provided that the total amount upto which the moneys may be borrowed by the Board and outstanding at any one time shall not exceed a total amount of ₹ 4,00,000 crores in Indian rupees and in any foreign currency equivalent to USD 8 Billion. The aggregate value of the Bonds offered under the Shelf Prospectus, together with the existing borrowing of our Company, is within the borrowing limits of a total amount of ₹ 4,00,000 crores in Indian rupees and in any foreign currency equivalent to USD 8 Billion. The Board of Directors have, pursuant to a resolution dated February 11, 2015, approved the issue of 'tax free bonds' in one or more tranche(s), in the nature of secured, redeemable, non-convertible debentures subject to the provisions of the CBDT Notification, amongst other sources of long term borrowing for FY 2015-16 for an amount of up to ₹ 50,350 crores. Thus, our Company is authorised to issue Bonds pursuant to this Issue.

Eligibility to make the Tranche I Issue

Our Company, the persons in control of our Company or our 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.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) 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, EDELWEISS FINANCIAL SERVICES LIMITED, A.K. CAPITAL SERVICES LIMITED, KARVY INVESTOR SERVICES LIMITED, AND RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED, HAVE CERTIFIED THAT 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 CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS 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, EDELWEISS FINANCIAL SERVICES LIMITED, A.K. CAPITAL SERVICES LIMITED, RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED AND KARVY INVESTOR SERVICES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 21, 2015 WHICH READS AS FOLLOWS:

1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTER 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.
2. 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.
3. WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED.
4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 TO THE EXTENT NOTIFIED AS ON DATE OF THE PROSPECTUS, 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 Clause of the RBI

RBI HAS ISSUED CERTIFICATE OF REGISTRATION DATED FEBRUARY 10, 1998 AND CERTIFICATE OF REGISTRATION DATED JULY 28, 2010 CLASSIFYING OUR COMPANY UNDER THE CATEGORY NBFC AND NBFC-ND-IFC. IT MUST BE DISTINCTLY UNDERSTOOD THAT THE ISSUING OF THIS CERTIFICATE AND GRANTING A LICENSE AND APPROVAL BY RBI IN ANY OTHER MATTER SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED TO BE AN APPROVAL BY RBI TO THIS PROSPECTUS NOR SHOULD IT BE DEEMED THAT RBI HAS APPROVED IT AND THE RBI DOES NOT TAKE ANY RESPONSIBILITY OR GUARANTEE THE FINANCIAL SOUNDNESS OF OUR COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED BY OUR COMPANY IN THIS CONNECTION AND FOR REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES BY OUR COMPANY.

Disclaimer clause of the Designated Stock Exchange

“BSE Limited (“the Exchange”) has given, *vide* its letter dated September 18, 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 scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this 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 promoter, 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 or for any other reason whatsoever”.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of the Lead Manager	Website
Edelweiss Financial Services Limited	www.edelweissfin.com
A.K. Capital Services Limited	www.akcapindia.com
RR Investors Capital Services Private Limited	www.rrfinance.com
Karvy Investor Services Limited	www.karvy.com

Listing

The Bonds will be listed on the BSE, the Designated Stock Exchange. The BSE has given its in-principle listing approval through its letter dated September 18, 2015

If permissions to deal in and for an official quotation of the Bonds are not granted by the BSE, our Company will forthwith repay, without interest, all such moneys received from the Applicants pursuant to this Prospectus. If such money is not repaid within the period prescribed under the Companies Act, our Company and every officer in default shall be liable to pay interest at 15% per annum for the delayed period on the application money. Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the BSE are taken within 12 Working Days of the Tranche I Issue Closing Date.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Bankers to our Company, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee, (i) the Members of the Consortium, (j) Bankers to the Issue, and (k) Refund Banks to act in their respective capacities, have been obtained and shall be filed along with a copy of the Tranche I Prospectus with the RoC.

Our Company has appointed Milestone Trusteeship Services Private Limited as Debenture Trustee under regulation 4(4) of the SEBI Debt Regulations. The Debenture Trustee has given its consent to our Company for its appointment under regulation 4(4) and for its name to be included in the Shelf Prospectus, the Tranche Prospectus(es) and also in all the subsequent periodical communications sent to the holders of the Bonds

The consent of the Statutory Auditors of our Company, namely M/s K.B. Chandna and M/s M.K. Aggarwal & Co. for (a) inclusion of their names as the Statutory Auditors, (b) examination reports on Reformatted Summary Financial Statements in the form and context in which they appear in the Shelf Prospectus, have been obtained and have not been withdrawn and the same will be filed along with a copy of the Shelf Prospectus and Tranche I Prospectus with the Registrar of Companies, NCT of Delhi & Haryana .

Expert Opinion

Except for the report dated August 26, 2015 on our reformatted financial statements (standalone and consolidated) for the fiscals 2015, 2014, 2013, 2012, 2011, and the statement of tax benefits issued by our Auditors, our Company has not obtained any expert opinions in relation to the Tranche I Issue.

Common Form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the Bonds and the provisions of the Companies Act, 2013 applicable as on the date of this Tranche I Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI Circular no. CIR/IMD/DF/12/ 2014 dated June 17, 2014, minimum subscription limit is not applicable for issuers authorized by CBDT for issuing tax free bonds. 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 Tranche I Issue.

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus has been filed with the Designated Stock Exchange in terms of Regulation 7 of the SEBI Debt Regulation on September 10, 2015 for dissemination on their website.

Filing of the Shelf Prospectus and Tranche I Prospectus with the RoC

A copy of the Shelf Prospectus and the Tranche I Prospectus will be filed with RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013 and the Shelf Prospectus shall be valid for a period not exceeding one year from the Tranche I Issue Opening Date.

Debenture Redemption Reserve

Section 71 of the Companies Act, 2013, read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, 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 Tranche I 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 utilised by our Company except for the redemption of the Bonds. 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 utilised 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.

Tranche I Issue Related Expenses

A portion of the Tranche I Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses:

Particulars	Amount (₹ in crores)	Percentage of net proceeds (Issue proceeds less Issue expenses) of the Tranche I Issue	Percentage of total expenses of the Tranche I Issue (in %)
Fees payable to Intermediaries			
Lead Managers (₹ 1)	0.00	0.00%	0%

Registrar to the Issue	0.05	0.01%	1%
Advertising and marketing	0.63	0.09%	14%
Selling and Brokerage commission	3.10	0.45%	68%
Other Issue Expenses	0.77	0.11%	17%
Total	4.55	0.65%	100%

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche I 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 the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 15 per Application Form procured (inclusive of service tax and other applicable taxes), as finalized 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.

Our Company shall comply with the ceiling on issue related expenses as prescribed under CBDT Notification in connection with the Tranche I Issue.

Underwriting

This Tranche I Issue has not been underwritten.

Reservation

In terms of the CBDT Notification, 40% of the total Issue Size shall be earmarked towards Investors from Category IV. Apart from such reservation, there is no reservation in terms of CBDT Notification in the Tranche I Issue nor will any discount be offered in Issue to any category of investors.

For allocation ratios amongst different categories of Investors, please refer to the section titled “**Issue Procedure- Grouping of Applications and allocation ratio**” on page 112 of the Tranche I Prospectus.

Details regarding our Company and other listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 which made any capital issue during the last three years

Our Company is a public sector enterprise, as such, there are no identifiable companies under the same management. Further, as regards issue of equity share capital during the last three years by our company, please refer to the section titled “**Capital Structure**” on page 87 of the Shelf Prospectus. For details of past public issues of bonds/ NCD, please refer to the section titled “**Other Regulatory and Statutory Disclosures**” on page 206 of the Shelf Prospectus.

Benefit/ interest accruing to Promoter/ Directors out of the object of the Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of this Tranche I Issue.

Commissions and brokerage on previous issue

The following are details of commission and brokerage paid by our Company, along with appropriate service taxes by our Company on public issues over the last five years:

Sr. no.	Public issue	Brokerage/ Commission paid (in ₹ crore)
1	Public issue of tax – free bonds tranche - I for Fiscal 2014	20.67
2	Public issue of tax – free bonds tranche - I for Fiscal 2013	3.32
3	Public issue of tax – free bonds tranche - II for Fiscal 2013	0.91
4	Public issue of tax – free bonds for Fiscal 2012	46.54
5	Public issue of long term infrastructure bonds for Fiscal 2012	1.27
6	Further public offering of Equity Shares in Fiscal 2012	7.09*

7	Public issue of long term infrastructure bonds for Fiscal 2011	2.87
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* ₹ 1.77 crore was reimbursed by the Department of Disinvestment, Ministry of Finance, GoI

Previous public issues or rights issues by our Company during the last five years

1. Our Company came out with a public issue of long term infrastructure bonds of face value of ₹ 5,000.0 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount upto ₹ 5,300crores in February, 2011. The amount mobilised through this issue was ₹ 235.36 crore. These long term infrastructure bonds are outstanding as on the date of this Tranche I Prospectus. The issue opened on February 24, 2011 and closed on March 22, 2011. The date of allotment and the date of refund was March 31, 2011. The long term infrastructure bonds offered pursuant to such issue were listed on April 11, 2011 on BSE.
2. Our Company came out with a further public offering of 22,95,53,340 Equity Shares at a premium of ₹ 193 per Equity Share in May 2011 ("FPO"). The FPO comprised of a fresh issue of 17,21,65,005 Equity Shares and an offer for sale of 57,388,335 Equity Shares by the President of India, acting through the MoP, which incorporated an employee reservation portion of 2,75,464 Equity Shares. Discount of 5% to the issue price of the FPO, determined pursuant to completion of the book building process was offered to eligible employees and to retail bidders. The FPO opened on May 10, 2011 and closed on May 12, 2011 for bidders who were Qualified Institutional Buyers and May 13, 2011 for all other categories of bidders. The date of allotment of Equity Shares offered in the FPO was May 24, 2011 and the date of refund was May 24, 2011. The Equity shares offered pursuant to the FPO were listed on May 27, 2011 on the Stock Exchanges.
3. Our Company came out with a public issue of long term infrastructure bonds of face value of ₹ 5,000 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 200crores with an option to retain an oversubscription upto the shelf limit (i.e. ₹ 6,900crores) in September 2011. The amount mobilised through this issue was ₹ 95.64 crore. These long term infrastructure bonds are outstanding as on the date of this Tranche I Prospectus. The issue opened on September 29, 2011 and closed on November 04, 2011. The date of allotment was November 21, 2011 and the date of refund was November 23, 2011. The long term infrastructure bonds offered pursuant to such issue were listed on December 02, 2011 on BSE.
4. Our Company came out with a public issue of tax free bonds of face value of ₹ 1,000 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 1,000crores with an option to retain an oversubscription upto the shelf limit (i.e. ₹ 4,033.13 crores) in December, 2011. These tax free bonds are outstanding as on the date of this Tranche I Prospectus. The issue opened on December 30, 2011 and closed on January 16, 2012. The date of allotment was February 1, 2012 and the date of refund was February 3, 2012. The tax free bonds offered pursuant to such issue were listed on February 14, 2012 on the BSE.
5. Our Company came out with a public issue of tax free bonds tranche - I of face value of ₹ 1,000 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 1,000crores with an option to retain an oversubscription upto the shelf limit (i.e. ₹ 4,590crores) in December, 2012. These tax free bonds are outstanding as on the date of this Tranche I Prospectus. The issue opened on December 14, 2012 and closed on December 27, 2012. The date of allotment was January 4, 2013 and the date of refund was January 7, 2013. The tax free bonds offered pursuant to such issue were listed on January 10, 2013 on the BSE.
6. Our Company came out with a public issue of tax free bonds tranche - II of face value of ₹ 1,000 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 100crores with an option to retain an oversubscription upto the residual shelf limit (i.e. ₹ 3,890.25 crores) in February, 2013. These tax free bonds are outstanding as on the date of this Tranche I Prospectus. The issue opened on February 18, 2013 and closed on March 19, 2013. The date of allotment was March 28, 2013 and the date of refund was March 30, 2013. The tax free bonds offered pursuant to such issue were listed on April 03, 2013 on the BSE.
7. Our Company came out with a public issue of tax free bonds tranche - I of face value of ₹ 1,000 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 100crores with an option to retain an oversubscription upto the residual shelf limit (i.e. ₹ 3,875.90

crores) in October 2013. These tax free bonds are outstanding as on the date of this Tranche I Prospectus. The issue opened on October 14, 2013 and closed on November 5, 2013. The date of allotment was November 16, 2013 and the date of refund was November 16, 2013. The tax free bonds offered pursuant to such issue were listed on November 19, 2013 on the BSE.

Material Contracts

Our Company has not entered into any material contracts other than in the ordinary course of business, in the last two years.

Auditors' Remarks

There are no reservations or qualifications or adverse remarks of auditors in respect of our Financial Statements in the last five financial years. For further details please refer Auditor's Report dated August 26, 2015.

Dividend

For details of dividends paid by our Company for the financial years ended March 31, 2011, 2012, 2013, 2014 and 2015 see the section titled "**Annexure A – Financial Statements**".

Revaluation of assets

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

Mechanism for redressal of investor grievances

Bigshare Services 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.

All grievances relating to the Tranche I Issue should be addressed to the Registrar to the Issue and the Compliance Officer giving full details of the Applicant, number of Bonds applied for, amount paid on application series/option applied for and Member of the Syndicate/Trading Member/SCSB to which the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series/option applied for, number of Bonds applied for, amount blocked on Application.

All grievances arising out of Applications for the Bonds made through Trading Members may be addressed directly to the BSE.

Change in Auditors of our Company during the last three years

Details of change in our auditors for the last three years is as follows:

Financial Year	Name	Address	Remarks
FY 2015-16	M/s K.B. Chandna & Co.	Chartered Accountants, E-27, South Extension – II, New Delhi -110 049	The auditors were appointed vide CAG letter dated June 30, 2015
	M/s M.K. Aggarwal & Co.	Chartered Accountants, 30, Nishant Kunj, Pitampura, New Delhi –110 034	

Financial Year	Name	Address	Remarks
FY 2014-2015	M/s N.K. Bhargava & Co.	C-31, Ist Floor, Acharya Niketan, Mayur Vihar, Phase-I New Delhi – 110 091	The auditors were appointed vide CAG letter dated July 30, 2014
	M/s K.B. Chandna & Co.	Chartered Accountants, E-27, South Extension – II, New Delhi -110 049	
FY 2013-2014	M/s N.K. Bhargava & Co.	C-31, Ist Floor, Acharya Niketan, Mayur Vihar Phase-I New Delhi – 110 091	The auditors were appointed vide CAG letter dated July 29, 2013
	M/s K.B. Chandna & Co.	Chartered Accountants, E-27, South Extension – II, New Delhi -110 049	

Matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default.

For details of terms and conditions of the term loans including re-scheduling, prepayment, penalty and default, see the section titled “**Financial Indebtedness**” on page 170 of the Shelf Prospectus.

Related party transactions during the last five financial years

The details of related party transactions entered into by our Company during the last five financial years immediately preceding the issue of prospectus containing (a) all transactions with related parties with respect to giving of loans or, guarantees, providing securities in connection with loans made, or investments made ; (b) all other transactions which are material to our Company or the related party, or any transactions that are unusual in their nature or conditions, involving goods, services, or tangible or intangible assets, to which our Company or any of its parent companies was a party, have been disclosed in the section titled “**Annexure A- Financial Statements**” on page 297 of the Shelf Prospectus.

Other Disclosures

Names of signatories to the Memorandum of Association of our Company and the number of shares subscribed by them:

Given below are the name of the signatories of the Memorandum of Associations of our Company and the number of equity shares subscribed by them at the time of signing of the Memorandum of Association.

S.No.	Name of Signatory	Number of equity shares of face value of ₹ 1,000 each
1.	President of India through Sh. M.M. Kohli, S/o Late B.C. Kohli, Secretary, Ministry of Energy, Department of Power, New Delhi	1
2.	Sh. Satish Khurana, S/o Late Ganeshi Lal Khurana, Joint Secretary and Financial Advisor, Ministry of Energy, Department of Power, New Delhi	1
3.	Sh. K. Padmanabhaiah, S/o Sh. K. Janakiramayya, Joint Secretary, Ministry of Energy, Department of Power, New Delhi	1
4.	Sh. J.C. Gupta, S/o Late Prakash Chandra Gupta, Joint Secretary, Ministry of Energy, Department of Power, New Delhi	1
5.	Sh. A.K. Mago, S/o Late K.N Mago, Joint Secretary, Ministry of Energy, Department of Power, New Delhi	1
6.	Sh. M.K. Sambamurti, S/o Late M.S. Krishnaswamy Iyer, Chairman, Central Electricity Authority, New Delhi	1

S.No.	Name of Signatory	Number of equity shares of face value of ₹ 1,000 each
7.	Sh. S.A. Subramanian, S/o Late A. Sunderesan, Member (Thermal), Central Electricity Authority, New Delhi	1
	Total	7

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

A. Lending Policy:

Our Company has formulated an “operation policy statement” which sets out the lending policy of our Company. For details, please refer to the section titled “**Our Business**” on page 112 of the Shelf Prospectus.

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

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

C. Details of Utilisation of previous issues :

The loans given and debt servicing of loans by our Company out of the proceeds of previous public issues from the FY 2010 – 2011 are as follows:

D. Issue of long term infrastructure bonds of face value of ₹1,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under Section 80 CCF of the Income Tax Act, aggregating upto ₹ 235.36 crores in the FY 2010 - 11:

Series Name	Date of Allotment	Amount Raised (₹ in Crores)
Infrastructure Bonds (2010-11) Series I	March 31, 2011	66.8
Infrastructure Bonds (2010-11) Series II	March 31, 2011	139.68
Infrastructure Bonds (2010-11) Series III	March 31, 2011	6.13
Infrastructure Bonds (2010-11) Series IV	March 31, 2011	22.75
TOTAL		235.36

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (₹ in Crores)	Maturity Profile
Chhattisgarh State Power Generation Company	Vidyut Sewa Bhawan, Danganiya, Raipur	Chhattisgarh	Power	95.69	15 to 20 years
Aravalli Power Company Private Limited	Indira Gandhi Super Thermal Power Project, Post Office. Jharli, District, Jhajjar, Haryana	Rajasthan	Power	42.63	15 to 20 years
Telangana Power Generation Corporation Limited	Vidyut Soudha, Khairabad, Hyderabad	Telangana	Power	35.69	20 to 25 years
Rajasthan Rajya Vidyut Utpadan Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	19.96	15 to 20 years
Pragati Power Corporation Limited	Rajghat Power House Complex, Ring Road I.P. Estate, New Delhi	Delhi	Power	11.88	15 to 20 years
Transmission Corporation Of	Vidyut Soudha, Khairabad, Hyderabad	Andhra Pradesh	Power	7.38	15 to 20 years

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (₹ in Crores)	Maturity Profile
Andhra Pradesh Limited					
Maharashtra State Electricity Distribution Company Limited	HSBC Building, M G Road, Fort, Mumbai	Maharashtra	Power	6.56	15 to 20 years
Andhra Pradesh Power Generation Corporation Limited.	Vidyut Soudha, Khairabad, Hyderabad	Andhra Pradesh	Power	5.66	15 to 20 years
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Shakti Bhawan, 14 Ashok Marg, Lucknow	Uttar Pradesh	Power	3.64	15 to 20 years
Essar Power MP Limited	Tower 2,5th Floor, Equinox Business Park, (Peninsula Techno Park, Off Bandra Kurla Complex, LBS Marg, Kurla (W), Mumbai	Madhya Pradesh	Power	2.89	15 to 20 years
Andhra Pradesh Power Development Company Limited	Room No 209, A-Block, Vidyut Soudha, Khairabad, Hyderabad	Andhra Pradesh	Power	2.59	15 to 20 years
Durgapur Projects Limited	New Administrative Building, District Burdwan, Durgapur	West Bengal	Power	0.48	15 to 20 years
Government Of Rajasthan	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	0.30	15 to 20 years
Total				235.36	

- E. Issue of tax free secured, redeemable, non-convertible bonds having benefits under Section 10(15) (iv) (h) of the Income Tax Act aggregating upto ₹ 4,033.13 crores and long term infrastructure bonds of face value of ₹ 1,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under Section 80 CCF of the Income Tax Act aggregating upto ₹ 95.64 crores in the FY 2011 - 12 :

Series Name	Date Of Allotment	Amount Raised (₹ in Crores)
Tax Free Bonds (2011-12) Tranche I Series II	February 1, 2012	1,280.58
Tax Free Bonds (2011-12) Tranche I Series I	February 1, 2012	2,752.55
Total		4,033.13

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (In ₹ Crores)	Maturity Profile
NTPC Limited	NTPC Bhawan, Scope Complex, Core -7, 3rd Floor, No. 7 Institutional Area, Lodhi Road	Delhi	Power	500.00	15 to 20 years
Tamil Nadu Transmission Corporation Limited	NPKRR Maaligai, 7th Floor, No.144, Anna Salai, Chennai	Tamil Nadu	Power	250.00	Up to 1 year
Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited	Nishtha Parisar, Bijalee Nagar, Govindpura, Bhopal	Madhya Pradesh	Power	200.00	Up to 1 year
Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited	Block No. 7, Shakti Bhawan, Rampur, Jabalpur	Madhya Pradesh	Power	200.00	Up to 1 year
Uttar Pradesh Power Transmission Corporation Limited	Shakti Bhawan, 14 Ashok Marg, Lucknow	Uttar Pradesh	Power	163.44	15 to 20 years
Madhya Pradesh Power Generating Company Limited	Shakti Bhawan, Vidyut Nagar, Jabalpur	Madhya Pradesh	Power	152.00	15 to 20 years
Chhattisgarh State Power Generation Company	Vidyut Sewa Bhawan, Danganiya, Raipur	Chhattisgarh	Power	146.78	15 to 20 years
Andhra Pradesh Power Development Corporation	Room No 209, A-Block, Vidyut Soudha, Khairatabad, Hyderabad	Andhra Pradesh	Power	115.84	15 to 20 years
ONGC Tripura Power Company Limited	6th Floor, A Wing, IFCI Towers, 61-Nehru Place, New Delhi	Tripura	Power	108.00	15 to 20 years
Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited	COF Block, Shakti Bhawan, Vidyut Nagar, Jabalpur	Madhya Pradesh	Power	100.00	Up to 1 year
Maharashtra State Electricity Distribution Company Limited	HSBC Building, M G Road, Fort, Mumbai	Maharashtra	Power	93.57	15 to 20 years
Rajasthan Rajya Vidyut Utpadan Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	80.80	15 to 20 years
Vadinar Power Company Limited	Equinox Business Park (Peninsula Techno Park), Off. Bandra Kurla Complex, LBS Marg, Kurla (West)	Gujrat	Power	74.23	15 to 20 years
Durgapur Projects Limited	New Administrative Building, District: Burdwan, Durgapur	West Bengal	Power	51.87	15 to 20 years
Maharashtra State Transmission Company	HSBC Building, M G Road, Fort, Mumbai	Maharashtra	Power	51.21	15 to 20 years

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (In ₹ Crores)	Maturity Profile
North Eastern Electric Power Corporation	Brookland Compound, Lower New Colony, Post Box No-79, Shillong	Arunachal Pradesh	Power	39.09	15 to 20 years
West Bengal Power Development Corporation Limited	Bidyut Unnayan Bhaban, 3/C, LA Block, Sector-III, Bidhan Nagar, Kolkatta	West Bengal	Power	38.03	15 to 20 years
Tamil Nadu Electricity Board	N.P.K.R.R., Maaligai, Electricity Avenue, 800- Anna Salai Chennai	Tamil Nadu	Power	33.73	15 to 20 years
Bhartiya Rail Bijlee Company Limited	BRBCL, Jain Bungalow, Post. Office: Dalmianagar, District.-Rohtas	Bihar	Power	24.68	15 to 20 years
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Shakti Bhawan, 14 Ashok Marg, Lucknow	Uttar Pradesh	Power	18.17	15 to 20 years
North East Transmission Company Limited	Eros Business Complex, Hotel Shangri-La, 19, Ashoka Road, New Delhi	Assam	Power	16.98	15 to 20 years
Orissa Power Transmission Corporation Limited	Fortune Tower, Zone - A, 7th Floor, Gangadhar Meher Marg, Chandrasekharapur, Bhubhneswar	Odisha	Power	14.53	15 to 20 years
Maharashtra State Power Generation Company Limited	Prakashgad, Plot No.G-9, Anant Kanekar Marg, Bandra East, Mumbai	Maharashtra	Power	10.05	15 to 20 years
Chhattisgarh State Power Transmission Company	Vidyut Sewa Bhawan, Danganiya, Raipur	Chhattisgarh	Power	9.73	15 to 20 years
Raichur Power Corporation Limited	No.22/23, Sudharshan Complex, Sheshadri Road, Bangalore	Telengana	Power	9.47	15 to 20 years
R.K.M Powergen Pvt Ltd	2nd & 3rd Floor, Old No.45/New No.14, Dr. Giriappa Road, T.Nagar, Chennai	Chhattisgarh	Power	7.73	15 to 20 years
Transmission Corporation Of Andhra Pradesh Limited	Vidyut Soudha, Khaitrabad, Hyderabad	Andhra Pradesh	Power	5.03	15 to 20 years
Pragati Power Corporation Limited	Rajghat Power House Complex, Ring Road I.P. Estate, New Delhi	Delhi	Power	4.00	15 to 20 years
Indian Metals & Ferro Alloys Limited	Plot No-27, Sector 6, Sector 6, Faridabad, Haryana	Odisha	Power	3.78	15 to 20 years
Haryana Vidyut Prasaran Nigam Limited	Shakti Bhawan, Sector 6, Panchkula	Haryana	Power	2.98	15 to 20 years

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (In ₹ Crores)	Maturity Profile
Telangana Power Generation Corporation Limited	Vidyut Soudha, Khairabad, Hyderabad	Telangana	Power	1.66	20 to 25 years
Essar Power MP Limited	Tower 2,5- Floor, Equinox Business Park, (Peninsula Techno Park, Off Bandra Kurla Complex, LBS Marg, Kurla(W), Mumbai	Madhya Pradesh	Power	1.11	15 to 20 years
A. P. Power Generation Corporation Limited	Vidyut Soudha, Khairabad, Hyderabad	Andhra Pradesh	Power	0.26	15 to 20 years
Jaipur Vidyut Vitran Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	0.12	Upto 1 Year
Kerala State Electricity Board	KSE Board Ltd., Vidyuthi Bhavanm, Pattom, P.B.No. 5048 Thiruvananthapuram	Kerala	Power	0.01	15 to 20 years
Lending				2,528.85	
Debt Servicing				1,504.28	
Grand Total				4,033.13	

Series Name	Date Of Allotment	Amount Raised (₹ in Crores)
Infrastructure Bonds (2011-12) Series II	November 21, 2011	51.15
Infrastructure Bonds (2011-12) Series I	November 21, 2011	32.43
Infrastructure Bonds (2011-12) Series III	November 21, 2011	3.23
Infrastructure Bonds (2011-12) Series IV	November 21, 2011	8.83
Total		95.64

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (In ₹ Crores)	Maturity profile
Jal Power Corporation Limited	A-102, Sector-65, Noida	Sikkim	Power	28.67	20 to 25 years
Andhra Pradesh Power Development Corporation	Room No 209, A-Block, Vidyut Soudha, Khairabad, Hyderabad	Andhra Pradesh	Power	23.33	15 to 20 years
Essar Power MP Limited	Tower 2,5th Floor, Equinox Business Park, (Peninsula Techno Park, Off Bandra Kurla Complex, LBS Marg, Kurla (W), Mumbai	Madhya Pradesh	Power	12.51	15 to 20 years

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (In ₹ Crores)	Maturity profile
Maharashtra State Transmission Company	HSBC Building, M G Road, Fort, Mumbai	Maharashtra	Power	8.28	15 to 20 years
Uttar Pradesh. Rajya Vidyut Utpadan Nigam Limited	Shakti Bhawan, 14 Ashok Marg, Lucknow	Uttar Pradesh	Power	7.52	15 to 20 years
Tamil Nadu Electricity Board	N.P.K.R.R., Maaligai, Electricity Avenue, 800-Anna Salai Chennai	Tamil Nadu	Power	6.43	15 to 20 years
Telangana Power Generation Corporation Limited	Vidyut Soudha, Khairatabad, Hyderabad	Telangana	Power	3.67	15 to 20 years
Madhya Pradesh Power Generating Company Limited	Shakti Bhawan, Vidyut Nagar, Jabalpur, Madhya Pradesh	Madhya Pradesh	Power	2.09	15 to 20 years
Maharashtra State Electricity Distribution Company Limited	HSBC Building, M G Road, Fort, Mumbai	Maharashtra	Power	1.29	15 to 20 years
Vadinar Power Company Limited	Equinox Business Park (Peninsula Techno Park), Off. Bandra Kurla Complex, Lbs Marg, Kurla (West)	Gujrat	Power	0.67	15 to 20 years
Indian Metals & Ferro Alloys Limited	Plot No-27, Sector 6, Sector 6, Faridabad, Haryana	Odisha	Power	0.59	15 to 20 years
Transmission Corporation Of Andhra Pradesh Limited	Vidyut Soudha, Khairatabad, Hyderabad	Andhra Pradesh	Power	0.59	15 to 20 years
Grand Total				95.64	

F. Issue of tax free secured, redeemable, non-convertible bonds having benefits under section 10(15) (iv) (h) of the Income Tax Act aggregating upto ₹ 865.12 crores in the FY 2012 -13 :

Series Name	Date Of Allotment	Amount Raised (₹ in Crores)
Tax Free Bonds (2012-13) Tranche I Series I	January, 04 2013	179.15

Tax Free Bonds (2012-13) Tranche I Series I	January, 04 2013	163.6
Tax Free Bonds (2012-13) Tranche I Series II	January, 04 2013	138.2
Tax Free Bonds (2012-13) Tranche I Series II	January, 04 2013	218.8
Total		699.75

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (In ₹ Crores)	Maturity Profile
Rajasthan Rajya Vidyut Utpadan Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	286.19	up to 1 year
Tehri Hydro Development Corporation	Pragati Puram, Bye-Pass Road, Rishikesh, Uttranchal	Uttarakhand	Power	150.00	up to 1 year
Rajasthan Rajya Vidyut Prasaran Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	65.00	up to 1 year
Jaipur Vidyut Vitran Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	50.00	5 to 10 years
Jodhpur Vidyut Vitran Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	50.00	5 to 10 years
Dans Energy	5th Floor, DLF Building No.8, Tower - C, DLF Cyber City, Phase-II, Gurgaon, Haryana	Sikkim	Power	24.92	15 to 20 years
Durgapur Projects Limited	New Administrative Building, District Burdwan, Durgapur	West Bengal	Power	15.00	up to 1 year
Madhya Pradesh Power Generating Company Limited	Cof Block, Shakti Bhawan, Vidyut Nagar, Jabalpur	Madhya Pradesh	Power	13.95	15 to 20 years
Essar Power Transmission Company Limited	Tower 2,5th Floor, Equinox Business Park, (Peninsula Techno Park, Off Bandra Kurla Complex, LBS Marg, Kurla (W), Mumbai	Maharashtra	Power	9.85	15 to 20 years

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (In ₹ Crores)	Maturity Profile
Maharashtra State Power Generation Company Limited	Prakashgad, Plot No.G-9, Anant Kanekar Marg, Bandra East, Mumbai	Maharashtra	Power	6.62	15 to 20 years
Meghalaya Power Generation Corporation Limited	New Office Complex, Lum Jingshai, Short Round Road, Shillong	Meghalaya	Power	5.73	15 to 20 years
Maharashtra State Electricity Distribution Company Limited	HSBC Building, M G Road, Fort, Mumbai	Maharashtra	Power	4.32	15 to 20 years
Bharatiya Rail Bijlee Company Limited'	BRBCL, Jain Bungalow, Post. Office: Dalmianagar, District.- Rohtas	Bihar	Power	3.58	15 to 20 years
Maharashtra State Transmission Company	HSBC Building, M G Road, Fort, Mumbai	Maharashtra	Power	1.25	15 to 20 years
Transmission Corporation Of Andhra Pradesh Limited	Vidyut Soudha, Khaitrabad, Hyderabad	Andhra Pradesh	Power	0.25	15 to 20 years
Jaipur Vidyut Vitran Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	1.56	up to 1 year
Andhra Pradesh Power Development Corporation	Room No 209, A-Block, Vidyut Soudha, Khaitrabad, Hyderabad	Andhra Pradesh	Power	0.17	15 to 20 years
Lending				688.40	
Debt Servicing				11.35	
Grand Total				699.75	

Series Name	Date Of Allotment	Amount Raised (₹ in Crores)
Tax Free Bonds (2012-13) Tranche II Series I	March 28, 2013	46.92
Tax Free Bonds (2012-13) Tranche II Series I	March 28, 2013	49.24
Tax Free Bonds (2012-13) Tranche II Series II	March 28, 2013	1.93
Tax Free Bonds (2012-13) Tranche II Series II	March 28, 2013	67.28
Total		165.37

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (In ₹ Crores)	Maturity Profile
Essar Power Transmission Company Limited	Tower 2,5th Floor, Equinox Business Park, (Peninsula Techno Park, Off Bandra Kurla Complex, LBS Marg, Kurla (W),Mumbai	Maharashtra	Power	13.07	15 to 20 years
Ap Power Development Corporation	Room No 209, A-Block, Vidyut Soudha, Khaitrabad,Hyderabad	Andhra Pradesh	Power	7.29	15 to 20 years
Madhya Pradesh Power Generating Company Limited	COF Block, Shakti Bhawan, Vidyut Nagar, Jabalpur	Madhya Pradesh	Power	6.14	15 to 20 years
RKM Powergen Pvt Ltd	2nd & 3rd Floor, Old No.45/New No.14, Dr. Giriappa Road, T.Nagar, Chennai	Chhattisgarh	Power	4.33	15 to 20 years
Andhra Pradesh Power Generation Corporation Limited	Vidyut Soudha, Khaitrabad, Hyderabad	Andhra Pradesh	Power	4.09	15 to 20 years
Maharashtra State Electricity Distribution Company Limited	HSBC Building, M G Road, Fort, Mumbai	Maharashtra	Power	3.90	15 to 20 years
West Bengal Power Development Corporation Limited.	Bidyut Unnayan Bhaban, 3/C, La Block, Sector-III, Bidhan Nagar, Kolkatta	West Bengal	Power	3.36	15 to 20 years
Durgapur Projects Limited	New Administrative Building, District: Burdwan, Durgapur	West Bengal	Power	3.28	15 to 20 years
Transmission Corporation Of Andhra Pradesh Limited	Vidyut Soudha, Khaitrabad,Hyderabad	Andhra Pradesh	Power	1.09	15 to 20 years
Jaipur Vidyut Vitran Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	0.42	Up to 1 year
Telangana Power Generation Corporation Limited	Vidyut Soudha, Khaitrabad,Hyderabad	Telangana	Power	0.38	20 to 25 years
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Shakti Bhawan, 14 Ashok Marg, Lucknow	Uttar Pradesh	Power	0.28	15 to 20 years
Ind-Barath Energy (Utkal) Limited	Plot No. 30-A, Road No. 1, Film Nagar, Jubilee Hills Hyderabad	Tamil Nadu	Power	0.27	15 to 20 years
Lending				47.91	

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (In ₹ Crores)	Maturity Profile
Debt Servicing				117.46	
Grand Total				165.37	

G. Issue of tax free secured, redeemable, non-convertible bonds having benefits under section 10(15) (iv) (h) of the Income Tax Act aggregating upto ₹ 3,875.90 crores in FY 2013 - 14 :

Series Name	Date Of Allotment	Amount Raised (₹ in Crores)
Tax Free Bonds (2013-14) Series 3A	November 16, 2013	1067.38
Tax Free Bonds (2013-14) Series 1A	November 16, 2013	325.07
Tax Free Bonds (2013-14) Series 1B	November 16, 2013	335.47
Tax Free Bonds (2013-14) Series 2A	November 16, 2013	932.7
Tax Free Bonds (2013-14) Series 2B	November 16, 2013	353.32
Tax Free Bonds (2013-14) Series 3B	November 16, 2013	861.96
TOTAL		3,875.90

Borrower Name	Address	Geographical Classification	Sector	Amount Disbursed (In ₹ Crores)	Maturity Profile
Uttar Pradesh .Power Corporation Limited	3rd Floor, Shakti Bhawan, 14 Ashok Marg, Lucknow	Uttar Pradesh	Power	1537.50	5 to 10 years
Rajasthan Rajya Vidyut Utpadan Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	376.00	15 to 20 years
Bihar State Power Generation Company Limited	Vidyut Bhawan, Bailey Road, Patna	Bihar	Power	249.92	15 to 20 years
Raichur Power Corporation Ltd.	No.22/23, Sudharshan Complex, Sheshadri Road, Bangalore	Karnataka	Power	213.47	15 to 20 years
Maharashtra State Power Generation Company Limited	Prakashgad, Plot No.G-9, Anant Kanekar Marg, Bandra East, Mumbai	Maharashtra	Power	193.11	15 to 20 years
GMR Chhattisgarh Energy Private Limited	Skip House, 25/1, Museum Road, Bangalore	Chhattisgarh	Power	182.70	15 to 20 years
Indiabulls Realtech Limited (IRL)	448-451, Udyog Vihar, Phase-V, Gurgaon	Maharashtra	Power	105.00	15 to 20 years
Singareni Collieries Company Limited	Kothagudem Collieries, Kothagudem, Distric:Khammam, Telangana	Telangana	Power	81.33	15 to 20 years
Adani Power Maharashtra Private Limited	Achalraj, Opp. Mayor Bunglow, Law Garden, Ahmedabad.	Maharastra	Power	75.11	15 to 20 years
West Bengal Power Development Corporation Limited.	Bidyut Unnayan Bhaban, 3/C, La Block, Sector-III, Bidhan Nagar, Kolkatta	West Bengal	Power	67.48	15 to 20 years
Tamil Nadu Generation And Distribution Corporation Limited	NPKRR Maaligai, No.144, Anna Salai, Chennai	Tamil Nadu	Power	63.91	5 to 10 years
Jaipur Vidyut Vitran Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	59.07	Up to 1 year
Tamil Nadu Electricity Board	N.P.K.R.R., Maaligai, Electricity Avenue, 800- Anna Salai Chennai	Tamil Nadu	Power	53.52	15 to 20 years

Chhattisgarh State Power Generation company	Vidyut Sewa Bhawan, Danganiya, Raipur	Chhattisgarh	Power	49.57	15 to 20 years
Orissa Power Generation Corporation Limited	Fortune Tower, Zone -A,7th Floor, Gangadhar Meher Marg, Chandrasekharapur, Bhubhneswar	Odisha	Power	47.81	15 to 20 years
Jodhpur Vidyut Vitran Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	41.60	15 to 20 years
Durgapur Projects Limited	New Administrative Building, District: Burdwan, Durgapur	West Bengal	Power	20.10	15 to 20 years
Durgapur Projects Limited	New Administrative Building, District: Burdwan, Durgapur	West Bengal	Power	20.00	Upto 1 year
Ajmer Vidyut Vitran Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	40.02	15 to 20 years
Andhra Pradesh Power Development Corporation	Room No 209, A-Block, Vidyut Soudha, Khaitrabad,Hyderabad	Andhra Pradesh	Power	33.49	15 to 20 years
Madhya Pradesh Power Generating Company Limited	Cof Block, Shakti Bhawan, Vidyut Nagar, Jabalpur	Madhya Pradesh	Power	26.16	15 to 20 years
Aravali Power Company Private Limited	Indira Gandhi Super Thermal Power Project, Post Office: Jharli, District. Jhajjar, Haryana	North	Power	25.00	15 to 20 years
Parbati Koldam Transmission Company Limited	12 Th Floor, Dlf Building No.10 Tower B, Dlf Cyber City Phase II, Gurgaon	Himachal	Power	22.94	15 to 20 years
Uttar Pradesh Power Transmission Corporation Limited	Shakti Bhawan, 14 Ashok Marg, Lucknow	Uttar Pradesh	Power	20.58	15 to 20 years
Andhra Pradesh Power Generation Corporation Limited	Vidyut Soudha, Khaitrabad,Hyderabad	Andhra Pradesh	Power	19.76	15 to 20 years
Maharashtra State Electricity Distribution Company Limited	HSBC Building, M G Road, Fort, Mumbai	Maharashtra	Power	19.56	15 to 20 years
Transmission Corporation Of Andhra Pradesh Limited	Vidyut Soudha, Khaitrabad,Hyderabad	Andhra Pradesh	Power	15.98	15 to 20 years

ONGC Tripura Power Company Limited	6th Floor, A Wing, IFCI Towers, 61-Nehru Place New Delhi	Tripura	Power	15.00	15 to 20 years
Power Transmission Corporation Of Uttarakhand Limited	Vidyut Bhawan, Near I.S.B.T. crossing, Sharanpur Road, Majra, Dehradun	Uttarakhand	Power	13.00	Upto 1 year
Bhartiya Rail Bijlee Company Limited	BRBCL, Jain Bunglow, Post Office: Dalmianagar, District.- Rohtas	Bihar	Power	11.11	15 to 20 years
Haryana Vidyut Prasaran Nigam Limited	Shakti Bhawan, Sector 6, Panchkula	Haryana	Power	10.87	15 to 20 years
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Shakti Bhawan, 14 Ashok Marg, Lucknow	Uttar Pradesh	Power	9.80	15 to 20 years
Chhattisgarh State Power Distribution Company	Vidyut Sewa Bhawan, Danganiya, Raipur	Chhattisgarh	Power	9.04	15 to 20 years
Telangana Power Generation Corporation Limited	Vidyut Soudha, Khairatabad, Hyderabad	Telangana	Power	8.04	20 to 25 years
Maharashtra State Transmission Company	HSBC Building, M G Road, Fort, Mumbai	Maharashtra	Power	7.62	15 to 20 years
Tamil Nadu Transmission Corporation Limited	NPKRR Maaligai, 7th Floor, No.144, Anna Salai, Chennai	Tamil Nadu	Power	6.98	15 to 20 years
Rajasthan Rajya Vidyut Prasaran Nigam Limited	Vidyut Bhavan, Janpath, Jyoti Nagar, Jaipur	Rajasthan	Power	6.48	15 to 20 years
Chhattisgarh State Power Transmission Company	Vidyut Sewa Bhawan, Danganiya, Raipur	Chhattisgarh	Power	2.08	15 to 20 years
Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd	Cof Block, Shakti Bhawan, Vidyut Nagar, Jabalpur	Madhya Pradesh	Power	1.13	15 to 20 years
Lending				3,761.82	
Debt Servicing				114.08	
Total				3,875.90	

Note:

- 1) All the loans disbursed from the proceed of the above mentioned public issues are term loans and are classified as standard assets as on the date of the Shelf Prospectus except for the loan given in FY 2011-

12 to Jal Power Corporation Limited amounting to ₹ 28.67 crores, which is classified as non-performing asset as on March 31, 2015.

- 2) *The details of the borrowers are in descending order to facilitative finding top ten borrowers for each of the above mentioned Issue.*

Utilization details regarding the Previous Issues of the Group Companies

Our Company is a public sector enterprise and as such, there are no identifiable group companies. Further, our Subsidiaries did not raise any funds by way of a public issue in the last 5 years.

Utilisation of Issue Proceeds

For details of utilisation of Issue proceeds, see the section titled “**Objects of this Tranche I Issue**” on page 25 of this Tranche I Prospectus.

Statement by the Board of Directors

- i) All monies received out of each Tranche Issue to the public shall be transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
- ii) The allotment letters shall be issued or application money shall be refunded within 15 (fifteen) days from the closure of the Tranche I Issue or such lesser time as may be specified by SEBI 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 15% per annum for the delayed period;
- iii) Details of all monies utilised out of the each Tranche Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;
- iv) Details of all unutilised monies out of the each Tranche Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- v) The funds raised by us from our previous bonds issues have been utilised for our business as stated in their respective offer documents; and
- vi) Our Company has obtained all no-objections from any debenture trustees/ lenders, required for creating Security.

Foreign Tax Account Compliance Act (“FATCA”)

FATCA is a new chapter in the U.S. Internal Revenue Code. FATCA is one of the most extensive tax information reporting regimes created by the U.S. Internal Revenue Service (“IRS”) and U.S. Treasury with objective to address perceived abuses by US taxpayers with respect to assets held offshore, away from the USA. FATCA requires Foreign Financial Institutions (“FFI”) to identify, classify and report U.S. accounts and Passive Non-financial foreign entities (“NFFE”) to report substantial U.S. owners or certify no U.S. ownership.

On July 9, 2015, India signed Model 1 Inter-Governmental Agreement (“IGA”) with the US IRS for implementation of FATCA. Section 285BA of the Income Tax Act was amended by the Finance (No.2) Act 2014 to require prescribed reporting financial institutions to register, identify accounts held by reportable persons and to report to the Indian tax authorities. The CBDT *vide* Notification dated August 7, 2015 notified the Income-Tax (11th Amendment) Rules, 2015 (the “**Income Tax Rules**”) to provide for registration of persons, due diligence, maintenance of information, and for matters relating to statement of reportable accounts. RBI *vide* its Circular dated 28th August, 2015 has issued instructions to all the concerned financial institutions to take steps for complying with the reporting requirement under FATCA and Common Reporting Standards (“**CSR**”). Further on August 31, 2015, RBI has also issued instructions for compliance of Guidance Note on implementation of reporting requirements under Rules 114F to 114H of the Income Tax Rules, as issued by Department of Revenue, Ministry of Finance on 31st August, 2015, under which all the financial institutions based on the guidance notes are required to determine whether it is a “reporting financial institution” or not.

Our Company does not fall within the definition of the “Financial Institution” as given in Rule 114F (3) of Income Tax Rules, 1962 and para 1(g) of Article 1 of the signed IGA agreement.

Further Indian institutions are generally not required to withhold tax as per section 285A of the Act and the IGA signed with USA. In case any withholding or deduction is required pursuant to section 1471 through 1474 of the US Internal Revenue Code of 1986, any regulation or agreements there under, official interpretations thereof, or any law implementing an intergovernmental approach thereto, our Company shall make such FATCA deduction and shall not be liable to compensate, reimburse, indemnify or otherwise make any payment whatsoever directly or indirectly in respect of such FATCA deduction.

This is not a complete analysis or listing of all potential tax consequences of FATCA. Investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them.

Please also refer to the section titled “**Risk Factors - Risks relating to any international regulations, FATCA, taxation rules may apply on the RFPs/NRIs and other foreign entities as the Issue may be marketed to RFPs, and NRIs**” on page 45 of the Shelf Prospectus.

Disclaimer in Respect of Jurisdiction

The Tranche I Issue is being made in India, to Investors from Category I, Category II, Category III and Category IV. This Tranche I Prospectus 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 this Tranche I Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

US disclaimer

Nothing in this Tranche I 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. This Tranche I 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 2003/71/EC, together with any amendments) and implementing measures thereto, (the “**Prospectus Directive**”) has been or will be made in respect of the Tranche I 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 Tranche I 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 this Tranche I Prospectus.

SECTION III- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The CBDT has *vide* the CBDT Notification, authorised our Company to raise the Bonds aggregating to ₹ 1000 crores in Fiscal 2016 out of which our Company has raised an amount of ₹ 300 crores on a private placement basis through disclosure document dated July 17, 2015. Our Company proposes to raise balance amount of upto ₹ 700 crores through this Issue of the Bonds in one or more tranches prior to March 31, 2016, as approved by its Board by its resolution dated February 11, 2015.

The following is a summary of the Tranche I Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapters titled “**Terms and Conditions in connection with the Bonds**” on page 58 and “**Issue Procedure**” on page 85 of this Tranche I Prospectus.

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

Particulars	Terms and Conditions
Minimum application size	5 Bonds (₹ 5,000) (individually or collectively, across all Series of Bonds) and in the multiple of One Bond (₹ 1,000) thereafter The minimum number of Bonds per Application Form will be calculated on the basis of the total number of Bonds applied for across all series of Bonds under each such Application Form
Mode of Allotment	Both in dematerialised form as well as in physical form as specified by the Applicant in the Application Form except that allotment will only be made in demat form for RFPI and NRI.
Terms of payment	Full amount on application.
Trading lot	1 (one) Bond.
Who can apply	Category I*: Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended including; - Public Financial Institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, which are authorised to invest in the Bonds; - Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds; - Insurance companies registered with the IRDA; - Foreign Portfolio Investors (“FPI”), Foreign Institutional Investors (“FII”) and sub-accounts (other than a sub account which is a foreign corporate or foreign individual), Qualified Foreign Investors (“QFIs”), not being an individual, registered with SEBI; ** # - National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the GoI and 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 - Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. Category II*: - Companies within the meaning of section 2(20) of the Companies Act, 2013*;

Particulars	Terms and Conditions
	• Statutory bodies/corporations*; • Cooperative banks; • Public/ private/ religious/charitable trusts; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008; • Societies in India registered under law and eligible to invest in Bonds; • Regional rural banks; • Partnership firms in the name of partners; and • Any other foreign/ domestic legal entities/ persons as may be permissible under the CBDT Notification and authorised to invest in the Bonds in terms of applicable laws.** # Category III: The following investors applying for an amount aggregating to above ₹10 lakhs across all Series of Bonds in Tranche I Issue: • Resident Indian individuals; • QFIs and FPIs being individuals;** # • Eligible NRIs on a repatriation or non – repatriation basis; and • Hindu Undivided Families (“HUF”) through the Karta. Category IV: 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; • QFIs and FPIs being individuals;** # • Eligible NRIs on a repatriation or non – repatriation basis; and • Hindu Undivided Families through the Karta.

* The MCA has, through its circular (General Circular No. 06/2015) dated April 9, 2015, clarified that in cases where the effective yield 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 the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.

Please refer to section titled “Risk Factors – Our Company will be unable to redeem or buy back the Bonds issued to FPIs, QFIs, FIIs (together “RFPIs”) in the event that listing of the Bonds on the BSE is not completed within 15 days of the issuance**” on page 44 of the Shelf Prospectus.

Please refer to section titled “**Regulations and Policies - Foreign Tax Account Compliance Act (“FATCA”)**” on page 143 of the Shelf Prospectus.

Participation by any of the above-mentioned Investor classes in the Tranche I Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised 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.

The Bonds have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the Bonds have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and 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. This Tranche I 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.

An NRI/RFPI can apply for Bonds offered in the Tranche I Issue subject to the conditions and restrictions contained in the FEMA (Borrowing or Lending in Rupees) Regulations, 2000, as amended from time to time and other applicable statutory and/or regulatory requirements.

Eligible NRIs and RFPIs should ensure that they are in compliance with applicable statutory and/or regulatory requirements in India and the other jurisdictions to which they are subject, before they apply for Bonds under the Tranche I Issue, and that our Company and the Lead Managers shall not be liable for any consequences in connection with any non-compliances by such eligible NRIs and RFPIs.

An RFPI and NRI or any other non-resident Applicant applying in the Tranche I Issue should not be (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.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. 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 (in case of Applicants applying for Allotment of the Bonds in dematerialized form) 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. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

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 Tranche I Issue.

For further details, see the section titled “**Issue Procedure**” on page 85 of this Tranche I Prospectus.

TERMS AND CONDITIONS IN CONNECTION WITH THE BONDS

Nature of the Bonds

The Bonds being issued are in form of tax free bonds of face value of ₹ 1,000 each in the nature of secured, redeemable, non-convertible debentures, having tax benefits under section 10(15)(iv)(h) of the Income Tax Act to be issued by our Company in terms of this Tranche I Prospectus.

Common terms for all Series of Bonds

Issuer	Power Finance Corporation Limited.
Type of instrument	Tax free bonds of face value of ₹ 1,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act.
Nature of the instrument	Bonds in the nature of secured, redeemable, non-convertible debentures
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 <i>pari passu</i> inter se to the claims of other secured creditors of our Company having the same security.
Mode of the issue	Public issue.
Mode of Issuance	In physical and dematerialised form.
Lead Managers	Edelweiss Financial Services Limited, A.K. Capital Services Limited, RR Investors Capital Services Pvt. Ltd., Karvy Investor Services Limited.
Debenture Trustee	Milestone Trusteeship Services Private Limited.
Depositories	NSDL and CDSL.
Registrar	Bigshare Services Private Limited
Base Issue	₹ 100 crores
Option to retain Oversubscription Amount	Upto ₹ 600 crores for issuance of additional Bonds aggregating to total of upto ₹ 700 crores
Total Issue Size	₹ 700 Crores
Eligible investors	See the section titled “ Issue Procedure – Who can apply? ” on page 86 of this Tranche I Prospectus.
Objects of the Issue	Please see “ Objects of this Tranche I Issue ” on page 25 of this Tranche I Prospectus.
Details of utilization of the proceeds	See the section titled “ Objects of this Tranche I Issue ” on page 25 of this Tranche I Prospectus.
Interest rate	See the section titled “ Terms of the Issue – Payment of Interest on Bonds ” on page 77 of this Tranche I Prospectus
Step up/ Step down interest rates	See the section titled “ Terms of the Issue - Interest ” on page 67 of this Tranche I Prospectus.
Interest type	Fixed.
Interest reset process	Not applicable.
Frequency of interest payment	Annual
Interest payment date	The dates on which interest/coupon on the Bonds shall fall due for payment as specified in the Tranche 1 Prospectus. See the section titled “ Terms of the Issue – Payment of Interest on Bonds ” on page 77 of this Tranche I Prospectus
Day count basis	Actual/ actual
Interest on application money	See the section titled “ Terms of the Issue – Interest on Application Amounts ” on page 75 of this Tranche I Prospectus
Default interest rate	As specified in Debenture Trust Deed.

Tenor	10 years, 15 years and 20 years from the Deemed Date of Allotment as set out in this Tranche I Prospectus.
Redemption Date/Maturity Date	10 years, 15 years and 20 years from the Deemed Date of Allotment as set out in this Tranche I Prospectus.
Redemption Amount	Amount repayable on the Bonds, comprising the face value of the Bonds, together with coupon/interest accrued at the applicable coupon/interest rate for each Series of Bonds on the respective Redemption Dates or Maturity Dates.
Redemption premium / discount	Nil.
Issue Price (in ₹)	₹ 1,000 per Bond.
Discount at which security is issued and the effective yield as a result of such discount.	Not applicable.
Put option date	Not applicable.
Put option price	Not applicable.
Call option date	Not applicable.
Call option price	Not applicable.
Put notification time.	Not applicable.
Call notification time	Not applicable.
Face value	₹ 1,000 per Bond.
Minimum Application size and in multiples of 1(one) Bond thereafter	5 Bonds (₹ 5,000) (individually or collectively, across all Series of Bonds) and in the multiple of One Bond (₹ 1,000) thereafter.
Market Lot/ Trading Lot	One Bond.
Pay-in date	Application Date. The entire Application Amount is payable on Application. See the section titled “ Issue Procedure – Payment Instructions ” on page 98 of this Tranche I Prospectus.
Credit ratings	CRISIL has assigned a rating of ‘CRISIL AAA/ Stable’ to the long term borrowing programme of our Company for an amount upto ₹ 50,000 crores for Fiscal 2016, by its letter dated April 7, 2015 and revalidated the said rating vide its letter June 23, 2015, August 27, 2015 and September 16, 2015. ICRA has assigned a rating of ‘[ICRA] AAA’ to the long term borrowing programme of our Company (including bonds and long term bank borrowing) for an amount upto ₹ 60,000 crores for Fiscal 2016, by its letter dated April 8, 2015 and revalidated the said rating vide its letter dated June 22, 2015, August 31, 2015 and September 17, 2015. CARE has assigned its rating of ‘CARE AAA’ to overall borrowing programme of our Company for an amount upto ₹ 60,000 crores (including short term borrowing aggregating to ₹ 10,000 crores as a sub-limit) for Fiscal 2016 by its letter dated April 7, 2015 and revalidated the said rating vide its letter dated June 22, 2015, August 31, 2015 and September 17, 2015. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations and such instruments carry lowest credit risk. For details, see the section titled “ Terms and Conditions in Connection with the Bonds ” on page 58 of this Tranche I Prospectus. For the rationale for these ratings, see Annexure B of the Shelf Prospectus.
Listing	The Bonds are proposed to be listed on BSE. The Bonds shall be listed within 12 Working Days from the date of Issue Closure. For more information, see “ Other Regulatory And Statutory Disclosures – Listing ” on page 32 of this Tranche I Prospectus.
Security	The security for the Bonds proposed to be issued, being a charge on the book debts of our Company by a first/ <i>pari passu</i> , and/ or any other security, movable or immovable property pursuant to the terms of the Debenture Trust

	Deed, to be created within three months of Deemed Date of Allotment, in accordance with the SEBI Debt Regulations and Companies Act, 2013.
Tranche I Issue size	₹ 100 crores with an option to retain oversubscription upto ₹ 600 crores aggregating to total of upto ₹ 700 crores.
Option to retain oversubscription	Upto ₹ 600 crores for issuance of additional Bonds aggregating to total of upto ₹ 700 crores.
Security cover	At least 100% of the outstanding Bonds at any point of time, alongwith interest thereon.
Modes of payment	Please see the section titled “ Issue Procedure – Payment Instructions ” on page 98 of this Tranche I Prospectus.
Trading	In dematerialised form only.
Tranche I Issue opening date	October 5, 2015.
Tranche I Issue closing date**	October 9, 2015 <i>**The Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Tranche I Issue may close on such earlier date or extended date as may be decided by the Board or a duly constituted committee thereof. In the event of an early closure or extension of the Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Tranche I Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5p.m. or such extended time as may be permitted by the BSE.</i>
Record date	Date falling 15 days prior to the relevant Interest Payment Date on which interest amount or the Redemption Dates/Maturity Dates for each Series of Bonds on which the Redemption Amount is due and payable under the terms of this Tranche I Prospectus. In the event that the Record Date falls on a Sunday or a holiday of Depositories or a holiday of our Company, the succeeding Working Day or a date notified by our Company to BSE shall be considered as the Record Date.
Transaction documents	The Shelf Prospectus and the Tranche I Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other security documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of the Tranche I Issue including but not limited to the Debenture Trust Deed, the Debenture Trust Agreement, the Escrow Agreement, the MoU with the Registrar and the MoU with the Lead Managers and the Consortium Agreement. For further details please refer to “ Material Contracts and Documents for Inspection ” on page 118 of this Tranche I Prospectus.
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement. See “ Objects of this Tranche I Issue - Utilisation of Issue Proceeds ” on page 53 of this Tranche I Prospectus.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement. See “ Objects of this Tranche I Issue - Utilisation of Issue Proceeds ” on page 53 of this Tranche I Prospectus.
Events of default	See the section titled “ Terms of the Issue – Events of default ” on page 79 of this Tranche I Prospectus.
Cross default provisions	Not applicable.
Deemed date of Allotment	The date on which the Board of Directors/or any committee thereof approves the Allotment of the Bonds for Tranche I Issue or such date as may be determined by the Board of Directors/ or any committee thereof 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 relating

	to the Bonds including interest on Bonds shall be available to the Bondholders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	See the section titled “ Terms of the Issue – Debenture Trustee ” on page 81 of this Tranche I Prospectus.
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Tranche I Issue shall be Indian law, and the competent courts of jurisdiction in New Delhi, India, respectively.
Working day convention	If any 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. Such additional interest will be deducted from the interest payable on the next date of payment of interest. If the Redemption Date of any Series of the Bonds falls on a day that is not a Working Day, the redemption/maturity 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.

* In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the Bonds in dematerialised 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 fulfil such request. However, trading in Bonds shall be compulsorily in dematerialized form.

SPECIFIC TERMS FOR EACH SERIES OF BONDS

The terms of each series 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.	7.11%	7.27%	7.35%
Annualised yield (%) p.a.	7.11%	7.27%	7.35%
Options	Series of Bonds*		
	For Category IV [#]		
	Tranche I Series 1B	Tranche I Series 2B	Tranche I Series 3B
Coupon rate (%) p.a.	7.36%	7.52%	7.60%
Annualised yield (%) p.a.	7.36%	7.52%	7.60%
Options	For Category I, II, III and IV [#]		
	Tenor	10 years	15 years
	Redemption Date	10 years from Deemed Date of Allotment	15 years from Deemed Date of Allotment
Redemption Amount (₹/ Bond)	Repayment of the face value and any interest that may have accrued on the Redemption Date.	Repayment of the face value and any interest that may have accrued on the Redemption Date.	Repayment of the face value and any interest that may have accrued on the Redemption Date.
Frequency of interest payment	Annual	Annual	Annual
Minimum application size	5 Bonds (₹ 5,000)	5 Bonds (₹ 5,000)	5 Bonds (₹ 5,000)
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 (₹/ Bond)	₹ 1,000	₹ 1,000	₹ 1,000
Issue price (₹/ Bond)	₹ 1,000	₹ 1,000	₹ 1,000
Modes of interest payment	Through various available modes.**	Through various available modes.**	Through various available modes.**s
Put option and call option	None.	None.	None.
* 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. ** For various modes of interest payment, see the section titled “Terms of the Issue – Modes of Payment” on page 78 of this Tranche I Prospectus. # 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 Category IV in the Tranche I Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under 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 Category IV to Category I, Category II and/or Category III, 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. 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 Category IV; d. If on any Record Date, the original Category IV allottee(s)/ transferee(s) hold the Bonds under Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B, Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A for an aggregate face value amount of over ₹ 10 lacs, then the coupon rate applicable to such Category IV Allottee(s)/transferee(s) on Bonds under Tranche I Series 1B, Tranche I Series 2B and 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; e. 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; f. For the purpose of classification and verification of status of the Category IV 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 9, 2015, clarified that in such cases wherein the effective yield 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 the loan, 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 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.			

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 Tranche I Prospectus.

TERMS OF THE ISSUE

1. Authority for the Issue

The CBDT has by the CBDT Notification, authorised our Company to raise the Bonds aggregating to ₹ 1000 crores in Fiscal 2016 out of which our Company has already raised an amount of ₹300 crores on a private placement basis through a disclosure document dated July 17, 2015. Our Company proposes to raise the balance amount of ₹700 crores through a public issue of the Bonds in one or more tranches prior to March 31, 2016.

Subject to the Memorandum and Articles of Association of the Company, the Shareholders of our Company at the Extra-ordinary General Meeting held on June 20, 2014, have passed a resolution under Section 180 (1)(c) of the Companies Act, 2013 and rules made thereunder, as amended from time to time, authorising the Board to borrow from time to time to the extent it deems requisite for the purpose of the business (apart from temporary loans obtained in the ordinary course of business) notwithstanding that such borrowing may exceed the aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose), provided that the total amount upto which the moneys may be borrowed by the Board and outstanding at any one time shall not exceed a sum of ₹ 4,00,000 crores in Indian rupees and in any foreign currency equivalent to USD 8 Billion. The aggregate value of the Bonds offered under the Shelf Prospectus, together with the existing borrowing of our Company, is within the borrowing limits of ₹ 4,00,000 crores in Indian rupees.

The Board of Directors have, pursuant to a resolution dated February 11, 2015, approved the issue of 'tax free bonds' in one or more tranche(s), in the nature of secured, redeemable, non-convertible debentures subject to the provisions of the CBDT Notification, amongst other sources of long term borrowing for FY 2015-16 for an amount of up to ₹ 50,350 crores. Thus, our Company is authorised to issue Bonds pursuant to the Issue.

2. Terms and Conditions of the Issue

The Bonds being offered through the Tranche I Issue are subject to the provisions of the SEBI Debt Regulations, applicable regulations by the RBI, the Income Tax Act, the Companies Act, 1956, Companies Act, 2013 the CBDT Notification, the terms of the Shelf Prospectus, the Tranche I Prospectus, abridged prospectus, the Application Form, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the GoI, and 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.

3. Issue and status of the Bonds

- 3.1. Public issue of tax free bonds, in the nature of secured redeemable non-convertible debentures having benefits under section 10(15)(iv)(h) of the Income Tax Act upto an aggregate amount of ₹ 700 crores at par in one or more tranches in the Fiscal 2016.
- 3.2. The Bonds shall be secured pursuant to the Debenture Trust Deed. The Bondholders are entitled to the benefit of the Debenture Trust Deed and are bound by and are deemed to have notice of all the provisions of the Debenture Trust Deed.
- 3.3. The Bonds are proposed to be secured by a charge on the book debts of our Company by a first *pari passu*, and/ or any other security, movable or immovable property pursuant to the terms of the Debenture Trust Deed, to be created within three months of Deemed Date of Allotment, in accordance with the SEBI Debt Regulations and Companies Act, 2013.
- 3.4. The claims of the Bondholders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

4. Ranking of the Bonds

The Bonds will be secured by first *pari passu* charge over the book debts of our Company and/or any other security, movable or immovable, as set out in the Debenture Trust Deed to the extent of the amount

mobilized under the Tranche I Issue. Accordingly, the Bonds would constitute direct and secured obligations of our Company and will rank *pari passu* inter se to the claims of other secured creditors of our Company having the same security and superior to the claims of any unsecured creditors of the Company, now existing or in the future, subject to any obligations preferred under applicable law.

5. Form, face value, title and listing etc.

5.1. Form of Allotment

The Allotment of the Bonds shall be in a dematerialized form to all Applicants and in physical form to Applicants, other than RFPIs and NRIs. Our Company has made depository arrangements with CDSL and NSDL for the issuance of the Bonds in dematerialized form, pursuant to a tripartite agreement dated September 4, 2015 among our Company, the Registrar and CDSL and a tripartite agreement dated September 7, 2015 among our Company, the Registrar and NSDL (collectively the “**Tripartite Agreements**”). As per SEBI circular dated July 27, 2012 the allotment can be done in physical form only to investor who have no demat account. Therefore, only the investors not having a demat account will be allotted Bonds in physical form however investors having a demat account will have the option to convert demat bonds allotted to them into physical form as per Depositories Act, 1996.

Our Company shall take necessary steps to credit the Depository Participant account of the Applicants with the number of Bonds Allotted in dematerialized form. The Bondholders holding the Bonds in dematerialised form shall deal with the Bonds in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

5.2. The Bondholders may rematerialize the Bonds issued 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.

5.3. In case of Bonds held in physical form, whether 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 which will, on issuance of the split Consolidated Bond Certificates, be cancelled by our Company.

5.4. Face Value

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

5.5. Title

In case of:

5.5.1. a Bond held in dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and

5.5.2. a Bond held in physical form, the person for the time being appearing in the Register of Bondholders as Bondholder

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such persons 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.

5.6. 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 Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the register of beneficial holders maintained by the Depositories and the Register of Bondholders, as maintained by 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 to the Issue.

5.7. Listing

The Bonds will be listed on BSE. The Designated Stock Exchange for the Issue is BSE. Our Company has received in-principle approvals *vide* letter no. DCS/SJ/PI-Bond/05/15-16 dated September 18, 2015.

However, permissions for final listing and trading of the Bonds issued pursuant to the Tranche I Issue will not be granted until after the Bonds have been issued and allotted and may not be completed within 15 days of the date of investment by RFPs. There could be a failure or delay in listing the Bonds on BSE. Please refer to ***“Risk Factors - Our Company will be unable to redeem or buy back the Bonds issued to FPIs, QFIs, FIIs (together “RFPs”) in the event that listing of the Bonds on the BSE is not completed within 15 days of the issuance”*** on page 44 of the Shelf Prospectus.

5.8. Market Lot

The Bonds shall be allotted in dematerialised form to all Applicants and in physical form to Applicants other than RFPs and NRIs. In terms of the SEBI Debt Regulations, the trading of the Bonds shall be in dematerialised form only. Since, the trading of Bonds is in dematerialized form, tradable lot is one Bond.

5.9. Procedure for rematerialisation of Bonds

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

5.10. Procedure for dematerialisation of Bonds

Bondholders who have been allotted Bonds in physical form and wish to hold the Bonds in dematerialized form may do so by submitting his or her request to his or her Depository Participant in accordance with the applicable procedure stipulated by the Depository Participant.

6. Transfer of the Bonds, issue of Consolidated Bond Certificates, etc.

6.1. 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. Further, in accordance with Section 88 of the Companies Act, 2013, the register of beneficial owners maintained by Depositories for any Bond in dematerialised form under Section 11 of the Depositories Act shall also be deemed to be a register of Bondholders for this purpose.

6.2. Transfers

6.2.1. *Transfer of Bonds held in dematerialised form:*

In respect of Bonds held in the dematerialised form, transfers 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 Bondholder shall give delivery instructions containing details of the prospective purchaser's Depository Participant's account to his Depository Participant. If a prospective purchaser does not have a Depository Participant account, the Bondholder may rematerialize his or her Bonds and transfer them in a manner as specified in paragraph 6.2.2 below.

6.2.2. *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. Purchasers 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 purchaser of the Bonds in physical form intends to hold the Bonds in dematerialised form, the Bonds may be dematerialized by the purchaser 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.

6.3. 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 our Company, 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 upon our Company being satisfied that the requirements concerning transfers of Bonds have been duly complied with.

6.4. Debenture Redemption Reserve (“DRR”)

Section 71 of the Companies Act, 2013, read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, 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 the company available for payment of dividend, (b) the DRR shall be equivalent to atleast 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 case of privately placed debentures.

Accordingly our Company is required to create DRR of 25% of the value of Bonds issued through the Tranche I Issue. In addition, as per Rule 18(7) (e) of Companies (Share Capital and Debentures) Rules, 2014, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the Bonds. Every company required to maintain or create 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 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 utilised 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.

7. Application amount

The Bonds are being issued at par and the full amount of the face value per Bond is payable on Application. Eligible Applicants can apply for any amount of the Bonds subject to a minimum Application size of Bonds as specified in the Tranche I Prospectus, across any of the Series of Bonds or a combination thereof. The Applicants will be allotted the Bonds in accordance with the Basis of Allotment.

8. Deemed Date of Allotment

The Deemed Date of Allotment shall be the date on which the Board of Directors/or any committee thereof approves the Allotment of the Bonds for Tranche I Issue or such date as may be determined by the Board of Directors/ or any committee thereof 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 relating to the Bonds including interest on Bonds shall be available to the Bondholders from the Deemed Date of Allotment.

9. Subscription

9.1. Period of subscription

The Tranche I Issue shall remain open for the period mentioned below:

Tranche I Issue opens on	October 5, 2015
Tranche I Issue closes on	October 9, 2015

The Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Tranche I Issue may close on such earlier date or extended date as may be decided by the Board or a duly constituted committee thereof. In the event of an early closure or extension of the Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Tranche I Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3p.m. (Indian Standard Time) and uploaded until 5p.m. or such extended time as may be permitted by the BSE.

9.2. Underwriting

The Tranche I Issue is not underwritten.

9.3. Minimum subscription

In terms of the SEBI Circular no. CIR/IMD/DF/12/ 2014 dated June 17, 2014 for issuers issuing tax free bonds, as specified by CBDT, minimum subscription limit is not applicable.

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 Tranche I Issue.

10. Interest

10.1. Interest

For Bondholders falling under Category I, II and III, the Bonds under Tranche 1 Series 1A, Tranche 1 Series 2A and Tranche 1 Series 3A shall carry interest at the coupon rate of 7.11% p.a., 7.27% p.a. and 7.35% p.a. respectively payable from, and including, the Deemed Date of Allotment up to, but excluding, their respective Redemption Dates, payable annually on the “Interest Payment Date”, to the Bondholders as of the relevant Record Date. The effective yield to Category I, II and III Bondholders would be 7.11% p.a., 7.27% p.a. and 7.35% p.a. for the Bonds under Series 1A, Series 2A and Series 3A, respectively.

For Bondholders falling under Category IV, the Bonds under Tranche 1 Series 1B, Tranche 1 Series 2B and Tranche 1 Series 3B shall carry interest at the coupon rate of 7.36% p.a., 7.52% p.a. and 7.60% p.a. respectively payable from, and including, the Deemed Date of Allotment up to, but excluding, their respective Redemption Dates, payable annually on the “Interest Payment Date”, to the Bondholders as of the relevant Record Date. The effective yield to Category IV Bondholders would be 7.36% p.a., 7.52% p.a. and 7.60% p.a. for the Bond Series 1B, Series 2B and Series 3B, respectively.

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 Category IV in the Tranche I Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under 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 Category IV to Category I, Category II and/or Category III, 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. 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 Category IV;
- d. If on any Record Date, the original Category IV Allottee(s)/ transferee(s) hold the Bonds under Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B, Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A for an aggregate face value amount of over ₹ 10 lacs, then the coupon rate applicable to such Category IV Allottee(s)/transferee(s) on Bonds under Tranche I Series 1B, Tranche I Series 2B and 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;
- e. 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;
- f. For the purpose of classification and verification of status of the Category IV 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 first Interest Payment Date shall be the date falling one year from Deemed Date of Allotment and, for subsequent fiscals, shall be the same date of such respective fiscal. The last coupon/interest payment in each case will be made on the respective Redemption Dates/Maturity Dates for each Series of Bonds.

10.2. Day count convention

Interest on the Bonds shall be computed on an actual/ actual basis for the broken period, if any.

Please refer to the following details pertaining to the cash flows of the Company in accordance with the SEBI circular bearing number CIR/IMD/DF/18/2013 dated October 29, 2013:

Cash Flow for Series I

Effect of holidays on payments

If any 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 Interest Payment Date. If the Redemption Date/Maturity Date (also being the last 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 of holidays on payments. For the purpose of this Illustration, we have considered effect of holidays on cash flows.

Face value per Bond (In ₹)	1,000
Deemed Date of Allotment (assumed)	19 October 2015
Frequency of Interest payment	Annual
Interest payment date	First Interest Payment Date on October 19, 2016, and subsequently on October 19 of every year until the Maturity Date/Redemption Date of the Series of Bonds
Day count convention	Actual / Actual

Series 1A	
Coupon Rate	7.11%

Tenor (no. of years)	10
Number of Bonds held (assumed)	100
Redemption Date/Maturity Date	19 October 2025

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (in ₹)
1 st Interest Payment Date	Wednesday, October 19, 2016	366	7,110.00
2 nd Interest Payment Date	Thursday, October 19, 2017	365	7,110.00
3 rd Interest Payment Date	Friday, October 19, 2018	365	7,110.00
4 th Interest Payment Date	Saturday, October 19, 2019	365	7,110.00
5 th Interest Payment Date	Monday, October 19, 2020	366	7,110.00
6 th Interest Payment Date	Tuesday, October 19, 2021	365	7,110.00
7 th Interest Payment Date	Wednesday, October 19, 2022	365	7,110.00
8 th Interest Payment Date	Thursday, October 19, 2023	365	7,110.00
9 th Interest Payment Date	Saturday, October 19, 2024	366	7,110.00
10 th Interest Payment Date	Saturday, October 18, 2025	364	7,091.00
Redemption of Principal	Saturday, October 18, 2025		1,00,000.00
Total Cash Flows			1,71,081.00

Series 1B	
Coupon Rate	7.36%
Tenor (no. of years)	10
Number of Bonds held (assumed)	100
Redemption Date/Maturity Date	19 October 2025

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (in ₹)
1 st Interest Payment Date	Wednesday, October 19, 2016	366	7,360.00
2 nd Interest Payment Date	Thursday, October 19, 2017	365	7,360.00
3 rd Interest Payment Date	Friday, October 19, 2018	365	7,360.00
4 th Interest Payment Date	Saturday, October 19, 2019	365	7,360.00
5 th Interest Payment Date	Monday, October 19, 2020	366	7,360.00
6 th Interest Payment Date	Tuesday, October 19, 2021	365	7,360.00
7 th Interest Payment Date	Wednesday, October 19, 2022	365	7,360.00
8 th Interest Payment Date	Thursday, October 19, 2023	365	7,360.00
9 th Interest Payment Date	Saturday, October 19, 2024	366	7,360.00
10 th Interest Payment Date	Saturday, October 18, 2025	364	7,340.00

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (in ₹)
Redemption of Principal	Saturday, October 18, 2025		1,00,000.00
Total Cash Flows			1,73,580.00

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 October 19, 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 7.36% p.a.

Note

1. Since the Redemption/ Maturity Date is falling on a non Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day. The interest for one day is deducted from the interest payable on the 10th Interest Payment Date.
2. The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.
3. Fiscal 2016, Fiscal 2020 and Fiscal 2024, being leap years, interest payable on 1st, 5th and 9th Interest Payment Date has been calculated for 366 days.

Cash Flow for Series II

If any 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 Interest Payment Date. If the Redemption Date/Maturity Date (also being the last 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 of holidays on payments. For the purpose of this Illustration, we have considered effect of holidays on cash flows.

Face value per Bond (In ₹.)	1,000
Deemed Date of Allotment (assumed)	19 October 2015
Frequency of Interest payment	Annual
Interest payment date	First Interest Payment Date on October 19, 2016, and subsequently on October 19 of every year until the Maturity Date/Redemption Date of the Series of Bonds
Day count convention	Actual / Actual

Series 2A	
Coupon Rate	7.27%
Tenor (no. of years)	10
Number of Bonds held (assumed)	100
Redemption Date/Maturity Date	19 October 2030

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (in ₹)
1 st Interest Payment Date	Wednesday, October 19, 2016	366	7,270.00
2 nd Interest Payment Date	Thursday, October 19, 2017	365	7,270.00
3 rd Interest Payment Date	Friday, October 19, 2018	365	7,270.00
4 th Interest Payment Date	Saturday, October 19, 2019	365	7,270.00
5 th Interest Payment Date	Monday, October 19, 2020	366	7,270.00
6 th Interest Payment Date	Tuesday, October 19, 2021	365	7,270.00
7 th Interest Payment Date	Wednesday, October 19, 2022	365	7,270.00
8 th Interest Payment Date	Thursday, October 19, 2023	365	7,270.00
9 th Interest Payment Date	Saturday, October 19, 2024	366	7,270.00
10 th Interest Payment Date	Monday, October 20, 2025	366	7,290.00
11 th Interest Payment Date	Monday, October 19, 2026	364	7,250.00
12 th Interest Payment Date	Tuesday, October 19, 2027	365	7,270.00
13 th Interest Payment Date	Thursday, October 19, 2028	366	7,270.00
14 th Interest Payment Date	Friday, October 19, 2029	365	7,270.00
15 th Interest Payment Date	Saturday, October 19, 2030	365	7,270.00
Redemption of Principal	Saturday, October 19, 2030		1,00,000.00
Total Cash Flows			2,09,050.00

Series 2B	
Coupon Rate	7.36%
Tenor (no. of years)	10
Number of Bonds held (assumed)	100
Redemption Date/Maturity Date	19 October 2025

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (in ₹)
1 st Interest Payment Date	Wednesday, October 19, 2016	366	7,520.00
2 nd Interest Payment Date	Thursday, October 19, 2017	365	7,520.00
3 rd Interest Payment Date	Friday, October 19, 2018	365	7,520.00
4 th Interest Payment Date	Saturday, October 19, 2019	365	7,520.00
5 th Interest Payment Date	Monday, October 19, 2020	366	7,520.00

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (in ₹)
6 th Interest Payment Date	Tuesday, October 19, 2021	365	7,520.00
7 th Interest Payment Date	Wednesday, October 19, 2022	365	7,520.00
8 th Interest Payment Date	Thursday, October 19, 2023	365	7,520.00
9 th Interest Payment Date	Saturday, October 19, 2024	366	7,520.00
10 th Interest Payment Date	Monday, October 20, 2025	366	7,541.00
11 th Interest Payment Date	Monday, October 19, 2026	364	7,499.00
12 th Interest Payment Date	Tuesday, October 19, 2027	365	7,520.00
13 th Interest Payment Date	Thursday, October 19, 2028	366	7,520.00
14 th Interest Payment Date	Friday, October 19, 2029	365	7,520.00
15 th Interest Payment Date	Saturday, October 19, 2030	365	7,520.00
Redemption of Principal	Saturday, October 19, 2030		1,00,000.00
Total Cash Flows			2,12,800.00

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 October 19, 2015
3. For Cash Flows under Series 2B, 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 7.52% p.a.

Note

1. Fiscal 2016, Fiscal 2020, Fiscal 2024 and Fiscal 2028, being leap years, interest payable on 1st, 5th, 9th and 13th Interest Payment Date has been calculated for 366 days.
2. Since the 10th 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 interest for an additional day was paid on 10th Interest Payment Date, interest for one day is deducted from the interest payable on the 11th Interest Payment Date
4. The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.

Cash Flow for Series III

If any 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 Interest Payment Date. If the Redemption Date/Maturity Date (also being the last 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 of holidays on payments. For the purpose of this Illustration, we have considered effect of holidays on cash flows.

Face value per Bond (In ₹.)	1,000
Deemed Date of Allotment (assumed)	19 October 2015
Frequency of Interest payment	Annual
Interest payment date	First Interest Payment Date on October 19, 2016, and subsequently on October 19 of every year until the Maturity Date/Redemption Date of the Series of Bonds
Day count convention	Actual / Actual

Series 3A	
Coupon Rate	7.35%
Tenor (no. of years)	10
Number of Bonds held (assumed)	100
Redemption Date/Maturity Date	19 October 2035

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (in ₹)
1 st Interest Payment Date	Wednesday, October 19, 2016	366	7,350.00
2 nd Interest Payment Date	Thursday, October 19, 2017	365	7,350.00
3 rd Interest Payment Date	Friday, October 19, 2018	365	7,350.00
4 th Interest Payment Date	Saturday, October 19, 2019	365	7,350.00
5 th Interest Payment Date	Monday, October 19, 2020	366	7,350.00
6 th Interest Payment Date	Tuesday, October 19, 2021	365	7,350.00
7 th Interest Payment Date	Wednesday, October 19, 2022	365	7,350.00
8 th Interest Payment Date	Thursday, October 19, 2023	365	7,350.00
9 th Interest Payment Date	Saturday, October 19, 2024	366	7,350.00
10 th Interest Payment Date	Monday, October 20, 2025	366	7,370.00
11 th Interest Payment Date	Monday, October 19, 2026	364	7,330.00
12 th Interest Payment Date	Tuesday, October 19, 2027	365	7,350.00
13 th Interest Payment Date	Thursday, October 19, 2028	366	7,350.00
14 th Interest Payment Date	Friday, October 19, 2029	365	7,350.00
15 th Interest Payment Date	Saturday, October 19, 2030	365	7,350.00
16 th Interest Payment Date	Monday, October 20, 2031	366	7,370.00
17 th Interest Payment Date	Tuesday, October 19, 2032	365	7,330.00

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (in ₹)
18 th Interest Payment Date	Wednesday, October 19, 2033	365	7,350.00
19 th Interest Payment Date	Thursday, October 19, 2034	365	7,350.00
20 th Interest Payment Date	Friday, October 19, 2035	365	7,350.00
Redemption of Principal	Friday, October 19, 2035		1,00,000.00
Total Cash Flows			2,47,000.00

Series 3B	
Coupon Rate	7.60%
Tenor (no. of years)	10
Number of Bonds held (assumed)	100
Redemption Date/Maturity Date	October 19, 2035

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (in ₹)
1 st Interest Payment Date	Wednesday, October 19, 2016	366	7,600.00
2 nd Interest Payment Date	Thursday, October 19, 2017	365	7,600.00
3 rd Interest Payment Date	Friday, October 19, 2018	365	7,600.00
4 th Interest Payment Date	Saturday, October 19, 2019	365	7,600.00
5 th Interest Payment Date	Monday, October 19, 2020	366	7,600.00
6 th Interest Payment Date	Tuesday, October 19, 2021	365	7,600.00
7 th Interest Payment Date	Wednesday, October 19, 2022	365	7,600.00
8 th Interest Payment Date	Thursday, October 19, 2023	365	7,600.00
9 th Interest Payment Date	Saturday, October 19, 2024	366	7,600.00
10 th Interest Payment Date	Monday, October 20, 2025	366	7,621.00
11 th Interest Payment Date	Monday, October 19, 2026	364	7,579.00
12 th Interest Payment Date	Tuesday, October 19, 2027	365	7,600.00
13 th Interest Payment Date	Thursday, October 19, 2028	366	7,600.00
14 th Interest Payment Date	Friday, October 19, 2029	365	7,600.00
15 th Interest Payment Date	Saturday, October 19, 2030	365	7,600.00
16 th Interest Payment Date	Monday, October 20, 2031	366	7,621.00
17 th Interest Payment Date	Tuesday, October 19, 2032	365	7,579.00
18 th Interest Payment Date	Wednesday, October 19, 2033	365	7,600.00

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (in ₹)
19 th Interest Payment Date	Thursday, October 19, 2034	365	7,600.00
20 th Interest Payment Date	Friday, October 19, 2035	365	7,600.00
Redemption of Principal	Friday, October 19, 2035		1,00,000.00
Total Cash Flows			2,52,000.00

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 October 19, 2015
3. For Cash Flows under Series 3B, 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 7.60% p.a.

Note

1. Fiscal 2016, Fiscal 2020, Fiscal 2024, Fiscal 2028 and Fiscal 2032, being leap years, interest payable on 1st, 5th, 9th, 13th and 17th Interest Payment Date has been calculated for 366 days.
2. Since the 10th and 16th 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 interest for an additional day was paid on 10th and 16th Interest Payment Date, interest for one day is deducted from the interest payable on the 11th and 17th Interest Payment Date
4. The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.

10.3. Interest on Application Amounts

10.3.1. Interest on Application Amounts received which are used towards Allotment of Bonds

We shall pay interest on Application Amounts on the amount Allotted, subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, to any Applicants to whom Bonds are allotted (except for ASBA Applicants) pursuant to the Tranche I Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment, at the rate of 7.11% p.a., 7.27% p.a. and 7.35% p.a. on Tranche 1 Series 1A, Tranche 1 Series 2A and Tranche 1 Series 3A respectively for Allottees under Category I, Category II and Category III Portion, and at the rate of 7.36% p.a., 7.52% p.a. and 7.60% p.a. on Tranche 1 Series 1B, Tranche 1 Series 2B and Tranche 1 Series 3B respectively for Allottees under Category IV Portion. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of the BSE upto one day prior to the Deemed Date of Allotment, at the aforementioned rate.

A tax deduction certificate will be issued for the amount of income tax so deducted.

We 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, interest warrants will be dispatched along with the letter(s) of allotment at the sole risk of the Applicant, to the sole/first Applicant.

In addition, please refer to the Section titled “**Regulations and Policies- Foreign Tax Account Compliance Act (“FATCA”)**” on page 143 of the Shelf Prospectus.

10.3.2. **Interest on Application Amounts received which are liable to be refunded**

We shall pay interest at the rate of 6 % per annum on Application Amounts which is liable to be refunded to the Applicants for any excess Application Amount paid by such Applicants vis-à-vis the Bonds Allotted (other than Application Amounts received after the closure of the Tranche I Issue and ASBA Applicants), subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. We shall also pay interest at the rate of 4 % per annum on Application Amounts in respect of such Applications which are either withdrawn by any Applicant or are rejected on technical grounds, subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. See the section titled “**Issue Procedure- Rejection of Applications**” on page 110 of this Tranche I Prospectus.

In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts which are liable to be refunded from three Working Days from the date of upload of each Application on the electronic Application platform of the BSE upto one day prior to the Deemed Date of Allotment, at the aforementioned rate. Such interest shall be paid along with the monies liable to be refunded. Interest warrants 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.

A tax deduction certificate will be issued for the amount of income tax so deducted.

In addition, please refer to the Section titled “**Regulations and Policies- Foreign Tax Account Compliance Act (“FATCA”)**” on page 143 of the Shelf Prospectus.

11. Redemption

- 11.1.** The face value of the Bonds will be redeemed at par, on the respective Redemption Dates of each of the Series of Bonds.

11.2. Procedure for redemption by Bondholders

The procedure for redemption is set out below:

11.2.1. Bonds held in electronic form:

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

11.2.2. Bonds held in physical form:

No action will ordinarily be required on the part of the Bondholder at the time of redemption, and the Redemption Amount will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by our Company on the Record Date fixed for the purpose of redemption without there being a requirement for the surrender of the physical Consolidated Bond Certificate(s).

In addition, please refer to the Section titled “**Regulations and Policies- Foreign Tax Account Compliance Act (“FATCA”)**” on page 143 of the Shelf Prospectus.

12. Payments

12.1. Payment of interest on the Bonds

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

12.2. Record Date

The record date for the payment of interest or the Redemption Amount shall be the date falling 15 days prior to the relevant Interest Payment Date on which interest amount or the Redemption Dates/Maturity Dates for each Series of Bonds on which the Redemption Amount is due and payable under the terms of this Tranche I Prospectus. In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the Record Date and the Redemption Date. In the event that the Record Date falls on a Sunday or a holiday of Depositories or a holiday of our Company, the succeeding Working Day or a date notified by our Company to BSE shall be considered as the Record Date.

12.3. Effect of holidays on payments

If any 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 Interest Payment Date. If the Redemption Date/Maturity Date (also being the last 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.

- 12.4.** Whilst our Company will use the electronic mode for making payments, 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 a courier service, or registered post or speed post to the address provided by the Bondholder and appearing in the register of beneficial owners maintained by the Depositories and the Register of Bondholders maintained by our Company and/or the Registrar to the Issue, as the case may be as, on the Record Date. Our Company shall pay interest in accordance with the applicable laws, over and above the coupon rate of the Bonds in the event that such payments are delayed beyond a period of eight days after our Company becomes liable to pay such amounts.
- 12.5.** Our Company's liability to the Bondholders including for payment or otherwise shall stand extinguished from the Redemption Date or 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 Redemption Date.

13. Manner and mode of payment

13.1. Manner of payment:

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

13.1.1. *For Bonds applied or held in electronic form:*

Bank account 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.

13.1.2. *For Bonds held in physical form*

Bank account details will be obtained from the Registrar to the Issue for effecting payments.

13.2. Modes of payment

The mode of interest/refund/Redemption Amounts shall be undertaken in the following order of

preference:

13.2.1. ***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 our Company.

13.2.2. ***National Electronic Clearing Scheme (“NECS”)***

The NECS facility is applicable to 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 Redemption Amount so long as our Company has initiated the payment process in time.

13.2.3. ***Real Time Gross Settlement (“RTGS”)***

An Applicant having a bank account with a branch which is RTGS enabled as per the information available on the website of the RBI and whose payment amount exceeds ₹ 2 lakhs (or as may be specified by the RBI from time to time) shall be eligible 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 Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Applicant’s bank receiving the credit would be borne by such Applicant.

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

13.2.4. ***National Electronic Fund Transfer (“NEFT”)***

Payment of refund shall be undertaken through NEFT wherever an Applicant’s bank branch is NEFT enabled and has been assigned the IFSC, which can be linked to an MICR code of that particular branch. The 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 an Applicant has registered his MICR number and his 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 such Applicant 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.

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

13.2.5. ***Cheques or demand drafts***

Payments by cheques or demand drafts shall be made in the name of the Bondholders whose names appear in the Register of Bondholders as maintained by our Company or from the register of beneficial owners as provided by the Depositories. All cheques or demand drafts as the case may be, shall be sent by registered/speed post/courier service at the Bondholders’ sole risk.

13.3. 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 Applicants who have applied for Bonds in dematerialised form, these particulars will be taken directly from the Depositories. In case of Bonds held in physical form either on account of rematerialisation or transfer, 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. Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

14. Special tax benefits

For the details of tax benefits, see the section titled "**Statement of Tax Benefits**" on page 28 of this Tranche I Prospectus.

15. Taxation

The Bonds are tax free in nature and the interest on the Bonds will not form part of the total taxable income of Bondholders. For further details, see the section titled "**Statement of Tax Benefits**" on page 28 of the Tranche I Prospectus. In addition, please refer to the Section titled "**Regulations and Policies-Foreign Tax Account Compliance Act ("FATCA")**" on page 143 of the Shelf Prospectus.

16. Security

The security for the Bonds proposed to be issued, being a charge on the book debts of our Company by a first *pari passu*, and/ or any other security, movable or immovable property pursuant to the terms of the Debenture Trust Deed, to be created within three months of Deemed Date of Allotment, in accordance with the SEBI Debt Regulations and Companies Act, 2013. Our Company does not require any consents from any individuals and entities currently holding a *pari passu* charge on the assets over which the Security is proposed to be created.

17. Events of default

- 17.1.** The Debenture Trustee at its own 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, among other things, if any of the events listed in paragraph 17.2 below occur.
- 17.2.** The event of default includes non payment of interest, non redemption etc. The complete list of events of default shall be as specified in the Debenture Trust Deed.
- 17.3.** The early Redemption Amount payable on the occurrence of an event of default shall be as detailed in the Debenture Trust Deed.
- 17.4.** If an event of default is continuing, the Debenture Trustee may, with the consent of the Bondholders obtained in accordance with the provisions of the Debenture Trust Deed, and with a prior written notice to our Company, take action in terms of the Debenture Trust Deed.
- 17.5.** 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.

18. Bondholders' rights, nomination, etc.

18.1. Rights of Bondholders

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

- 18.1.1. The Company will maintain at its Registered Office or such other place as permitted by law a register of Bondholders (“**Register of Bondholders**”) containing such particulars as required by Section 88 of the Companies Act, 2013. In terms of Section 88 of the Companies Act, 2013, the Register of Bondholders maintained by a Depository for any Bond in dematerialised form under Section 11 of the Depositories Act will be deemed to be a Register of Bondholders for this purpose.
- 18.1.2. The Bonds shall not, except as provided in the Companies Act, 2013 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 our shareholders, such resolution will first be placed before the concerned Bondholders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, Bondholders shall be entitled to a copy of our balance sheet on a specific request made to the Company.
- 18.1.3. The rights, privileges and conditions attached to the Bonds may be varied, modified and/or abrogated with the consent in writing of the Bondholders 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. However, in the event that such consent or special resolution pertains to modify or vary the terms and conditions governing the Bonds, such consent or resolution shall not be operative against our Company in the event that such consent or resolution is not acceptable to our Company.
- 18.1.4. The registered Bondholder or in case of joint-holders, the person whose name stands first in the Register of Bondholders or the register of beneficial owners, as the case may be, 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.
- 18.1.5. Bonds may be rolled over, subject to the consent of the Ministry of Finance, GoI, and 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, the Tranche I Prospectus and the Debenture Trust Deed to be executed by our Company with the Debenture Trustee.

A 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.

18.2. Succession

Where Bonds are held in joint names and one of the joint-holders dies, the survivor(s) will be recognized 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 on 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 recognize 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.

18.3. Nomination facility to Bondholders

- 18.3.1. In accordance with Section 72 of the Companies Act, 2013, the sole Bondholder or first Bondholder, along with other joint Bondholders (being individuals) 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. 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 were the 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 Bonds, 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 our Company's administrative office or at such other addresses as may be notified by our Company.
- 18.3.2. 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.
- 18.3.3. In accordance with Section 72 of the Companies Act, 2013, any person who becomes a nominee under any applicable laws shall on the production of such evidence as may be required by our Company's Board or a Committee of Directors, 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.
- 18.3.4. Notwithstanding anything stated above, Applicants who are allotted bonds in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bondholder will prevail. If the Bondholders require changing their nomination, they are requested to inform their respective Depository Participant. For Applicants who opt to hold the Bonds in physical form, the Applicants are required to fill in the details for 'nominees' as provided in the Application Form.
- 18.3.5. Further, our Company's Board or Committee of Directors, 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, our Company's Board or Committee of Directors, 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.

19. Debenture Trustee

- 19.1. Our Company has appointed Milestone Trusteeship Private Limited to act as the Trustee for the Bondholders. Our Company intends to enter into a Debenture Trust Deed with the Debenture Trustee, the terms of which will govern the appointment and functioning of the Debenture Trustee and shall specify the powers, authorities and obligations of the Debenture Trustee. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Bondholders the principal amount on the Bonds on the relevant Redemption Date and also that it will pay the interest due on Bonds on the rate specified under the Tranche I Prospectus under which Allotment has been made.
- 19.2. The Bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of their 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. All the rights and remedies of the Bondholders shall vest in and shall be exercised by the Debenture Trustee without reference to the Bondholders. No Bondholder shall be entitled to proceed directly against our Company unless the Debenture Trustee, having become so bound to proceed, failed to do so.

- 19.3.** The Debenture 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 they will take necessary action at our Company's cost. Further, the Debenture Trustee shall ensure that the assets of our Company are sufficient to discharge the principal amount at all time under this Tranche I Issue.

20. Miscellaneous

20.1. Lien

Our Company shall have the right of set-off and lien, present as well as future on the monies 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 our Company.

20.2. Lien on pledge of Bonds

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of the Bonds if such pledge of the Bonds 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.

20.3. 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.

20.4. 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 our Company and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither our Company nor its affiliates nor their agents shall be liable for use of the aforesaid information.

20.5. Notices

All notices to the Bondholders required to be given by our Company or the Trustee shall be published in at least one national daily newspaper having wide circulation and/or, will be sent by post/courier to the registered Bondholders from time to time.

20.6. 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 then on production of proof thereof to the Issuer's satisfaction and on furnishing such indemnity/security and/or documents as it 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.

20.7. Future borrowing

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 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 Debenture Trustee in this connection, subject to the security cover for the Bonds being 100% of the principal outstanding on the Bonds 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 Debenture Trust Deed.

20.8. Jurisdiction

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

20.9. Guarantee/Letter of Comfort

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

20.10. Recall or redemption prior to maturity

The CBDT Notification pursuant to which the Bonds are being offered provides that the tenure of the tax free bonds shall be 10, 15 or 20 years and does not specifically permit the issuer to buy back or redeem the Bonds prior to its Maturity Date. Unless permitted by the GoI, our Company will not be able to redeem or recall the Bonds prior to their Maturity Date. .

20.11. Restriction on transfer of Bonds

There are currently no restrictions on transfers and transmission of Bonds and on their consolidation/splitting except as may be required under applicable statutory and/or regulatory requirements including the SEBI Debt Regulations, Companies Act, 1956, Companies Act, 2013 and RBI regulations and/or as provided in our Articles of Association. For details of main provisions of our AoA, please see section titled “**Main Provisions of Articles of Association of our Company**” on page 283 of the Shelf Prospectus.

20.12. Credit Rating

CRISIL has assigned a rating of ‘CRISIL AAA/ Stable’ to the long term borrowing programme of our Company for an amount upto ₹ 50,000 crores for Fiscal 2016, by its letter dated April 7, 2015 and revalidated the said rating *vide* its letter dated June 23, 2015, August 27, 2015 and September 16, 2015. ICRA has assigned a rating of ‘[ICRA] AAA’ to the long term borrowing programme of our Company (including bonds and long term bank borrowing) for an amount upto ₹ 60,000 crores for Fiscal 2016, by its letter dated April 8, 2015 and revalidated the said rating *vide* its letter dated June 22, 2015, August 31, 2015 and September 17, 2015. CARE has assigned its rating of ‘CARE AAA’ to overall borrowing programme of our Company for an amount upto ₹ 60,000 crores (including short term borrowing aggregating to ₹ 10,000 crores as a sub-limit) for Fiscal 2016 by its letter dated April 7, 2015 and revalidated the said rating *vide* its letter dated June 22, 2015, August 31, 2015 and September 17, 2015. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations and such instruments carry lowest credit risk. For details in relation to the rationale for these credit ratings, please refer to the **Annexure B** to the Shelf Prospectus on page 643 of the Shelf Prospectus.

20.13. Escrow Mechanism

Please refer to “**Issue Procedure- Payment mechanism for non ASBA Applicants**” on page 98 of this Tranche I Prospectus.

20.14. Debenture holder Not a Shareholder

The Debenture holders will not be entitled to any of the rights and privileges available to equity and/or preference shareholders of the Company, except to the extent of the right to receive the annual reports of

our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the Debt Listing Agreement.

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involves application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

ASBA Applicants should note that they may submit their ASBA Applications to the Members of the Syndicate or Trading Members only at the Syndicate ASBA Application Locations, or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members (at the application centres of the Members of the Syndicate mentioned in the abridged prospectus) or make online Applications using the online payment gateway of the BSE.

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

Please note that this section has been prepared based on the circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI (“Debt Application Circular”). The procedure mentioned in this section is subject to the BSE 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 Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by the BSE and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the BSE and/or SEBI, including SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013.

Applicants are advised to carefully read the Shelf Prospectus, Application Form, and the Tranche I Prospectus in relation to any proposed investment. The information below is given for the benefit of the Investors. The 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 this Tranche I Prospectus.

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 the Debt Application Circular 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 BSE, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE DESIGNATED STOCK EXCHANGE WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS TRANCHE I ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE BSE WILL NEED TO APPROACH THE BSE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE BSE.

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 Members of the Syndicate and our Company shall not be responsible or liable for any errors or omissions on the part of trading members in connection with the responsibility of Trading Members in relation to collection and upload of Applications in this Tranche I Issue on the electronic application platform provided by the BSE. Further BSE will be responsible for addressing investor grievances arising from applications through Trading Members.

Please note that for the purpose of this section, the term “Working Day” shall mean all days excluding Sundays or a holiday of commercial banks in New Delhi, except with reference to Tranche I Issue Period, where

Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post-Tranche I Issue Period, i.e. period beginning from Tranche I 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.

Who can apply?

The following categories of persons are eligible to apply in the Tranche I Issue.

Category I

Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended including:

- Public Financial Institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, which are authorised to invest in the Bonds;
- Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds;
- Insurance companies registered with the IRDA;
- Foreign Portfolio Investors (“**FPI**”), Foreign Institutional Investors (“**FII**”) and sub-accounts (other than a sub account which is a foreign corporate or foreign individual), Qualified Foreign Investors (“**QFIs**”), not being an individual, registered with SEBI; ** #
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the GoI and 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
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

Category II

- Companies within the meaning of section 2(20) of the Companies Act, 2013*;
- Statutory bodies/corporations*;
- Cooperative banks;
- Public/ private/ religious/charitable trusts;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008;
- Societies in India registered under law and eligible to invest in Bonds;
- Regional rural banks;
- Partnership firms in the name of partners; and
- Any other foreign/ domestic legal entities/ persons as may be permissible under the CBDT Notification and authorised to invest in the Bonds in terms of applicable laws.** #

** The MCA has, through its circular (General Circular No. 06/2015) dated April 9, 2015, clarified that in case where the effective yield 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 the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.*

Category III

The following Investors applying for an amount aggregating to above ₹ 10 lakhs across all Series of Bonds in Tranche I Issue:

- Resident Indian individuals;
- QFIs and FPIs being individuals;** #
- Eligible NRIs on a repatriation or non – repatriation basis; and
- Hindu Undivided Families (“**HUF**”) through the Karta.

Category IV

The following Investors applying for an amount aggregating to up to and including ₹ 10 lakhs across all Series of Bonds in Tranche I Issue:

- Resident Indian individuals;
- QFIs and FPIs being individuals;** #
- Eligible NRIs on a repatriation or non – repatriation basis; and
- Hindu Undivided Families through the Karta.

**** Please refer to section titled “Risk Factors – Our Company will be unable to redeem or buy back the Bonds issued to FPIs, QFIs, FIIs (together “RFPIs”) in the event that listing of the Bonds on the BSE is not completed within 15 days of the issuance” on page 44 of the Shelf Prospectus.**

Please refer to section titled “Regulations and Policies - Foreign Tax Account Compliance Act (“FATCA”)” on page 143 of the Shelf Prospectus.

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 RFPI and, Eligible NRI or any other non-resident Applicant applying in the Tranche I Issue must not be (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 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 Tranche I Issue.

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

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche I Prospectus.

How to apply?

Availability of the Abridged Prospectus and Application Forms

Please note that there is a single Application Form for ASBA Applicants as well as non-ASBA Applicants who are persons resident in India. There is a separate Application Form for Applicants (ASBA Applicants and non-ASBA Applicants) who are RFPIs and Eligible NRIs applying for Bonds on repatriation or a non-repatriation basis.

Copies of the Abridged Prospectus containing the salient features of this Tranche I Prospectus together with Application Forms may be obtained from our Registered Office, the Lead Managers, the Consortium Members and the Designated Branches of the SCSBs. Additionally the Tranche I Prospectus and the Application Forms will be available

- for download on the website of the BSE at www.bseindia.com and the websites of the Lead Managers at www.edelweissfin.com, www.akcapindia.com, www.rrfinance.com/www.rrfcl.com and www.karvy.com respectively.
- at the designated branches of the SCSB & the Members of the Syndicate at Syndicate ASBA location.

Electronic Application Forms will also be available on the website of the BSE. A hyperlink to the website of the BSE for this facility will be provided on the website of the Lead Managers & SCSBs.

Trading Members can download Application Forms from the website of the BSE. 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 the Application Form
Resident Indians (ASBA and non-ASBA Applicants)	White
RFPIs, Eligible NRIs and any other non-resident Applicant across all Categories (applying on a repatriation as well as non-repatriation basis)	Blue

Methods of Application

An eligible investor desirous of applying in the Tranche I Issue can make Applications by one of the following methods:

1. Applications through the ASBA process; and
2. Non-ASBA Applications.

Note – Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. In the event that the BSE puts in necessary systems, infrastructure and processes in place so as to enable the adoption of the Direct Online Application Mechanism prior to the Tranche I Issue Opening Date, we shall offer eligible investors desirous of applying in the Tranche I Issue, the option to make Applications through the Direct Online Application Mechanism.

If such systems, infrastructures or processes are put in place by the BSE prior to the filing of the Tranche I Prospectus, the methods and procedure for relating to the Direct Online Application Mechanism shall be suitably updated in the Tranche I Prospectus, as the case may be. However, if such systems, infrastructures or processes are put in place by the Stock Exchanges after filing of the Tranche I Prospectus but prior to the Tranche I Issue Opening Date, the methods and procedure for relating to the Direct Online Application Mechanism shall be widely disseminated by us through a public notice in a reputed national daily newspaper.

Applications through the ASBA process

Please note that application through ASBA is optional for all categories of Applicants.

Applicants who wish to apply through the ASBA process by filling in physical Application Form will have to select the ASBA mechanism in Application Form and provide necessary details. Applicants can submit their Applications through the ASBA process by submitting the Application Forms to the Designated Branch of the SCSB with whom the ASBA Account is maintained or through the Members of the Syndicate or Trading Members (ASBA Applications through the Members of the Syndicate and Trading Members shall hereinafter be referred to as the “**Syndicate ASBA**”), prior to or on the Tranche I Issue Closing Date. **ASBA Applications through the Members of the Syndicate and Trading Members is permitted only at the Syndicate ASBA Application Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat).** Kindly note that Application Forms submitted by ASBA Applicants to Members of the Syndicate and the Trading Members at the Syndicate ASBA Application Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Member of the Syndicate or the Trading Members to deposit the Application Form (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Those Applicants who wish to apply through the ASBA process by filling in physical Application Form will have to select the ASBA mechanism in Application Form and provide necessary details. The filled in Application Form containing instructions to SCSB to block the Application Amount shall be submitted to the designated branches of the SCSBs. The ASBA Applications can also be submitted with the Member of the Syndicate at the Syndicate ASBA Centres (only in Specified Centres) or with the Trading Members of the Designated Stock Exchange, who

shall in turn upload all such details of the Applicant that is required for the purpose of allotment based on the ASBA Application Form on the platform of the BSE and forward the same to the SCSBs, in accordance with the circulars issued by SEBI in this regard from time to time. The Members of Syndicate and Trading Members of the Designated Stock Exchange shall accept ASBA Applications only at the Syndicate ASBA Centres and should ensure that they verify the details about the ASBA Account and relevant SCSB prior to accepting the Application Form.

Care should be taken that such Application Forms should bear the stamp of the relevant SCSB, Members of the Syndicate or trading members of the Designated Stock Exchange, otherwise they will be rejected.

Members of the Syndicate and Trading Members shall, upon receipt of Application Forms from ASBA Applicants, upload the details of these Application Forms to the online platform of the BSE and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained in accordance with the Debt Application Circular. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

ASBA Applications in electronic mode will only be available with such SCSBs who provide such an electronic facility. In case of ASBA Applications in such electronic form, the ASBA Applicant shall submit the Application Form with instruction to block the Application Amount either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA Account held with SCSB, as would be made available by the concerned SCSB.

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 Application forms in physical mode, which shall be stamped can also be submitted to the Members of the Syndicate & the Trading Members at the Syndicate ASBA Application location. 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.

Applications are liable to be rejected, wherein the SCSBs are not able to block the funds for Application Forms which have been uploaded by the Member of the Syndicate or Trading Members of the Designated Stock Exchange due to any reason.

Our Company, our Directors, affiliates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by SCSBs and Trading Members, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Trading Members in relation to the Tranche I Issue should be made by Applicants directly to the BSE.

Please note that you cannot apply for the Bonds through the ASBA process if you wish to be allotted the Bonds in physical form.

Non-ASBA Applications

(i) Non- ASBA Applications for Allotment of the Bonds in dematerialised form

Applicants may submit duly filled in Application Forms either in physical or downloaded Application Forms to the Members of the Syndicate or the Trading Members accompanied by account payee cheques/ demand drafts prior to or on the Tranche I Issue Closing Date. The Members of the Syndicate and Trading Members shall, upload the non-ASBA Application on the online platform of the BSE from 10:00 am till 5:00 pm, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant should preserve this and should provide the same for any grievances relating to their Applications.

Upon uploading the Application on the online platform of the BSE, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the relevant payment instruments (cheque or demand drafts) to the Escrow Collection Banks, which will realise the payment instrument, and send the Application details to the Registrar. The Members of the Syndicate/ Trading Members are requested to note that all payment instruments are required to be banked with only the designated banking branches of the Escrow Collection Banks, details of which will be available at the websites of the Lead Managers at www.edelweissfin.com, www.akcapindia.com, www.rfinance.com/www.rrfcl.com and www.karvy.com, respectively (A link for the said websites will be available at the website of the BSE at www.bseindia.com). Accordingly, Applicants are requested to note that they must submit Application Forms to Trading Members who are located in towns/ cities which have at least one banking branch of the Escrow Collection Banks. The Registrar shall match the Application details as received from the online platform of the BSE 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 platform of the BSE will prevail. Upon Allotment, the Registrar will credit the Bonds in the demat accounts of the successful Applicants as mentioned in the Application Form.

Please note that neither our Company, nor the Members of the Syndicate, nor the Registrar shall be responsible for redressal of any grievances that Applicants may have in regard to the non-ASBA Applications made to the Trading Members, including, without limitation, relating to non-upload of the Applications data. All grievances against Trading Members in relation to the Tranche I Issue should be made by Applicants to the BSE.

(ii) 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 sections titled “**Issue Procedure – Applications by various Applicant Categories**” and “**Issue Procedure - Additional instructions specific for Applicants seeking Allotment of the Bonds in physical form**” on pages 92 and 106, respectively of this Tranche I Prospectus. 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 platform of the BSE, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant shall preserve this and should provide the same for any queries relating to non-Allotment of Bonds in the Tranche I Issue.

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. The Registrar shall check the KYC documents submitted and match Application details as received from the online platform of the BSE 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 platform of the BSE will prevail. The Members of the Syndicate/ Trading Members are requested to note that all Applicants are required to be banked with only the banking branches of Escrow Collection Banks, details of which will be available at the websites of the Lead Managers at www.akcapindia.com, www.edelweissfin.com, www.karvy.com and www.rfinance.com/www.rrfcl.com, respectively (A link for the said websites will be available at the website of the BSE at www.bseindia.com). Accordingly, Applicants are requested to note that they must submit Application Forms to Trading Members who are located in towns/ cities which have at least one banking branch of the Escrow Collection Banks. 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, or the 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.

Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for payment of the Application Amount.

Members of the Syndicate or Trading Members are also required to ensure that the Applicants are competent to contract under the Indian Contract Act, 1872 including minors applying through guardians, at the time of acceptance of the Application Forms.

To supplement the foregoing, the mode and manner of Application and submission of Application Forms is illustrated in the following chart.

Mode of Application	To whom the Application Form has to be submitted
Direct Online Applications	Online submission through the online platform and online payment facility offered by BSE.
ASBA Applications	If using a physical Application form: (i) to the Members of the Syndicate only at the Syndicate ASBA Application Locations; or (ii) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (iii) to Trading Members only at the Syndicate ASBA Application Locations.
Non-ASBA Applications	(i) to the Members of the Syndicate; or (ii) to Trading Members.

The Applicant applying under the ASBA Process agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form or through which the Application is being made in case of electronic ASBA Application, the SCSB shall block an amount equivalent to the amount payable on Application mentioned in the Application Form until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred into the Public Issue Account maintained by us as per the provisions of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSBs.

The SCSB may reject the Application at the time of acceptance of Application Form if the ASBA Account with the SCSB, details of which have been provided by the Applicant in the Application Form, does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, the Registrar would have a right to reject the Application only on technical grounds.

In the event of withdrawal or rejection of Application Form or for unsuccessful Application Forms, the Registrar shall give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within twelve (12) Working Days of Tranche I Issue Closing Date.

Minimum Application Size

Applications are required to be for a minimum of 5 bonds across all Series of Bonds and multiples of 1 Bond thereafter.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by RFPIs ^

A FII who purchases the Bonds under this Tranche I Issue shall make the payment for purchase of such securities either by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-resident Rupee Account maintained by such RFPI with a designated branch of an authorized dealer in terms of the applicable regulations governing the same. Provided that an FII or sub-account may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014 (“**FPI Regulations**”), till the expiry of its registration as a FII (till the expiry of the block of three years) or sub-account, or until he obtains a certificate of registration as FPI, whichever is earlier.

A RFPI (including all QFIs and FPIs) who purchases the Bonds under this Tranche I Issue shall make payment through its designated bank being a branch of a bank authorized by the Reserve Bank of India through a foreign currency denominated account and special nonresident before making any investments in India.

Applications by RFPIs for Allotment of the Bonds in physical form must be accompanied by certified true copies of (i) its SEBI registration certificate; (ii) an inward remittance certificate; (iii) a resolution authorising investment in the Bonds; and (iii) specimen signatures of authorised persons.

Investments by RFPIs and FIIs

Investments by RFPIs in the Tranche I Issue will be restricted by various circulars issued by SEBI and RBI providing for corporate debt limits. In particular, the SEBI circular bearing reference No. CIR/IMD/FIIC/6/2013, dated April 1, 2013 provides that the following categories of debt limits shall be merged into a single category named ‘Corporate Debt’:

1. Corporate debt – Old for FIIs (US\$ 20 billion).
2. Corporate debt – Old for QFIs (US\$ 1 billion).
3. Corporate debt – Long Term (US\$ 5 billion).
4. Corporate debt in relation to the long term infrastructure sector (US\$ 12 billion).
5. Investment by QFIs in debt mutual fund schemes which invest in the infrastructure sector (US\$ 3 billion).
6. Investment in Infrastructure Debt Funds (US\$ 10 billion).

The combined limit for FIIs in the Corporate Debt category is US\$ 51 billion, as provided in the table below.

Type of Instrument	Investment cap (US\$ billion)	Eligible Investors	Remarks
Government Debt	25	FIIs and QFIs	Eligible investors may invest in Treasury Bills only up to US\$ 5.5 billion within the limit of US\$ 25 billion
Corporate Debt	51	FIIs and QFIs	Eligible investors may invest in Commercial Papers only up to US\$ 3.5 billion within the limit of US\$ 51 billion

The RBI has, through its circular (bearing RBI/2012-13/530) dated June 12, 2013, enhanced the limit for investment by FIIs in the Government debt (long term) category by US\$ 5 billion to US\$ 30 billion. SEBI *vide* circular dated April 07, 2014, bearing CIR/IMD/FIIC/8/2014, changed certain investment conditions and introduced restrictions for FII/QFI investments in Government debt securities. The combined limit for FIIs in the Corporate Debt category remains same as US\$ 51 billion, as provided in the table below:

Type of Instrument	Investment cap (US\$ billion)	Eligible Investors	Remarks
Government Debt	20	FIIs and QFIs	Available on demand. Eligible investors may invest only in dated securities of residual maturity of one year and above, and existing investment in Treasury Bills will be allowed to taper off on maturity/sale

Type of Instrument	Investment cap (US\$ billion)	Eligible Investors	Remarks
Government Debt	10	FIIIs and QFIIs	Available on demand for FIIIs registered with SEBI as Sovereign Wealth Funds, Multilateral Agencies, Endowment funds, Insurance funds, Pension Funds and Foreign Central Banks. Eligible investors may invest only in dated securities of residual maturity of one year and above.
Corporate Debt	51	FIIIs, QFIIs, and Long terms investors registered with SEBI – Sovereign Wealth Funds (SWFs), Multilateral Agencies, Pension/ Insurance/ Endowment Funds, Foreign Central Banks	Available on demand. Eligible investors may invest in Commercial Papers only upto US\$ 2 billion within the limit of US\$ 51 billion.

The RBI has, through its circular (bearing RBI/2014-15/145) dated July 23, 2014 enhanced the limit for investment by RFPs in the Government debt (long term) category by US\$ 5 billion by correspondingly reducing the amount available to long term investor from US\$ 10 billion to US\$ 5 billion within the overall limit of US\$ 30 billion. In terms of the aforesaid RBI circular, the changes are summarized below:

- a) The incremental investment limit of US\$ 5 billion shall be required to be invested in Government bonds with a minimum residual maturity of three years.
- b) All future investment against the limit vacated when the current investment by an RFPI runs off either through sale or redemption shall also be required to be made in Government bonds with a minimum residual maturity of three years.
- c) There will be no lock-in period and RFPs shall be free to sell the securities (including that are presently held with less than three years of residual maturity) to the domestic investors. Through its circular (bearing CIR/IMD/FIIC/1/2015) dated February 3, 2015, SEBI had changed certain investment conditions and introduced restrictions for FPIs investments in Government debt securities. In terms of the aforesaid SEBI circular, the changes are summarized below:
 - (i) All future investments within the US\$ 51 billion corporate debt limit category, including the limits vacated when the current investment by an FPI runs off either through sale or redemption, shall be required to be made in corporate bonds with a minimum residual maturity of three years;
 - (ii) FPIs shall not be permitted to invest in liquid and money market mutual fund schemes;
 - (iii) There will, however, be no lock-in period and FPIs shall be free to sell the securities (including those that are presently held with less than three years residual maturity) to domestic investors.
- d) Through its circular (bearing CIR/IMD/FII&C/18/2012) dated July 20, 2012, SEBI had permitted QFIIs to invest in those debt mutual fund schemes that hold at least 25% of their assets (either in debt or equity or both) in the infrastructure sector under the US\$ 3 billion investment limit for debt mutual fund schemes. These schemes were required to invest in infrastructure debt having a minimum residual maturity of 5 years. This restriction of 5 years residual maturity has been removed while the restriction of 3 years initial maturity has been introduced.
- e) All the above changes in lock-in, initial maturity and residual maturity requirements shall apply for investments by FIIIs and Sub-Accounts in debt securities to be made after the date of the circular.

Applications by NRIs[^]

We propose to issue Bonds to Eligible NRIs on a repatriable as well as non-repatriable basis. Eligible NRI Applicants should note that only such Applications as are accompanied by payment in Indian Rupees only shall

be considered for Allotment. An Eligible NRI can apply for Bonds offered in the Tranche I Issue subject to the conditions and restrictions contained in the Foreign Exchange Management (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 Eligible NRIs shall be subject to the Application Amounts paid by the NRI as described below:

1. **In case of Eligible NRIs applying on repatriation basis:** If the Application Amounts are received either by inward remittance of freely convertible foreign exchange through normal banking channels i.e. through rupee denominated demand drafts/ cheques drawn on a bank in India or by transfer of funds held in the investor's rupee denominated accounts i.e. Non Resident External ("NRE") / Foreign Currency Non Resident ("FCNR") Account/ any other permissible account in accordance with FEMA, maintained with a RBI authorised dealer or a RBI authorised bank in India.
2. **In case of Eligible NRIs applying on non-repatriation basis:** If the Application Amounts are received either by inward remittance of freely convertible foreign exchange through normal banking channels i.e. through rupee denominated demand drafts/ cheques 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/ NRE account/ FCNR Account/ Non Resident Special Rupee ("NRSR") Account/ any other permissible account in accordance with FEMA maintained with a RBI authorised dealer or a RBI authorised bank in India.

Applications by Eligible NRIs (applying either on a repatriation or 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 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 of any foreign investor, including, *inter alia*, RFPs, and Eligible NRIs for investment into the Tranche I Issue either on a repatriation basis or on a non-repatriation basis. All foreign Investors 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.

Issue and Allotment of Bonds to NRI Applicants

Our Company confirms 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 Tranche I Issue was passed by our Board, plus 300 basis points;
- ii. the period for redemption of each Series of Bonds will not be less than 3 years;
- iii. we do not and shall not carry on agricultural /plantation /real estate business/ trading in Transferable Development Rights 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 Eligible NRIs in connection with the Tranche I Issue, full details of the remittances received, namely:
 - (i) a list containing names and addresses of each NRI Applicant who have remitted funds for investment in the Bonds on non-repatriation basis and repatriation basis;
 - (ii) amount and date of receipt of remittance and its rupee equivalent; and
 - (iii) names and addresses of Authorised Dealers through whom the remittance has been received; Please note that Application Amounts for the Bonds has to be paid in cheques or demand drafts only, in Rupee denominated currency only; and

(b) of closure of the Tranche I Issue, full details of the monies received from NRI Applicants, namely:

- (i) a list containing names and addresses of each NRI Allottee and number of Bonds issued to each of them on non-repatriation basis and repatriation basis, and
- (ii) a certificate from our Compliance Officer that all provisions of the FEMA, and rules and regulations made thereunder in connection with the Tranche I Issue of the Bonds have been duly complied with.

We further confirm that the monies received from RFPIs, and Eligible NRIs who are Allotted Bonds pursuant to the Tranche I Issue, will not be utilised for any investment, whether by way of capital or otherwise, in any company or partnership firm or proprietorship concern or any entity, whether incorporated or not, or for the purpose of re-lending except for on lending/ re-lending to infrastructure sector in terms of RBI circular bearing no. A.P (DIR Series) circular no. 81 dated December 24, 2013. For further details, including details of utilization of funds, see the section titled “**Objects of this Tranche I Issue**” on page 25 of this Tranche I Prospectus.

Applications by Mutual Funds

A mutual fund scheme cannot invest more than 15% 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% 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 in physical form 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 authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Commercial Banks

Scheduled Commercial Banks can apply in this Tranche I Issue based upon their own investment limits and approvals. Applications by them for Allotment of the Bonds in physical form must be accompanied by certified true copies of (i) a board resolution authorising investments; (ii) a letter of authorisation; (iii) Charter Document; and (iv) PAN Card . Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies registered with the IRDA

In case of Applications for Allotment of the Bonds in physical form made by an insurance company registered with the IRDA, 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) its Memorandum and Articles of Association; (ii) a power of attorney (iii) a resolution authorising investment and containing operating instructions; (iv) specimen signatures of authorized signatories; (v) any Act/Rules under which they are incorporated; and (vi) registration documents (i.e. IRDA Registration). Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Indian Scientific and/or industrial research organizations, which are authorized to invest in Bonds

The application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, for Allotment of the Bonds in physical form must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (ii) a resolution authorising the 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. Alternative Investment Funds applying for Allotment of the Bonds shall at all time comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012.

Applications by Public Financial Institutions authorized to invest in the Bonds

Applications by Public Financial Institutions for Allotment of the Bonds in physical form 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 authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, Limited Liability Partnerships and bodies corporate registered under applicable laws in India

Applications made by companies, Limited Liability Partnerships and bodies corporate for Allotment of the Bonds in physical form 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 authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, 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 and the specimen signature of power of attorney holders/authorised signatories as per the relevant resolution. 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 therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney 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 therefor.

In case of 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.

Applications by provident funds and pension funds which are authorized to invest in the Bonds

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the Bonds, for Allotment of the Bonds in physical form 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; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) specimen signature of authorized person; (vi) a certified copy of the registered instrument for creation of such fund/trust; and (vii) 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 physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Fund

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

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

Commercial Banks, co-operative banks and Regional Rural Banks can apply in the Tranche I Issue based upon their own investment limits and approvals. The application must be accompanied by certified true copies of (i) Board resolutions authorising 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.

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 favour 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 authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in bonds, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in bonds, 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 cannot be made by:

- 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);
- b) Foreign nationals, except as may be permissible under the CBDT Notification or under the applicable law;
- c) RFPIs / 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) Overseas Corporate Bodies;
- e) Indian Venture Capital Funds;
- f) Foreign Venture Capital Investors; and
- g) Persons ineligible to contract under applicable statutory/ regulatory requirements.
- h) Any category of investor other than the Investors mentioned in categories I, II, III, and IV

In case of Applications for Allotment of the Bonds in dematerialised form, the Registrar 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 electronic system of the BSE by the Members of the Syndicate, SCSBs or the Trading Members, as the case may be.

Nothing in this Tranche I Prospectus 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. This Tranche I 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.

No offer to the public (as defined under Directive 2003/71/EC, together with any amendments and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Tranche I 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 Tranche I 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 this Tranche I Prospectus.

Payment instructions

Payment mechanism for ASBA Applicants

An ASBA Applicant shall specify details of the ASBA Account in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of intimation from the Registrar, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Escrow Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 12 (twelve) Working Days of the Tranche I Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Tranche I Issue or until rejection of the ASBA Application, as the case may be.

Payment mechanism for non ASBA Applicants

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour 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.

In terms of the FEMA Borrowing Regulations, read with RBI circular bearing no. A.P (DIR Series) circular no. 81 dated December 24, 2013, monies borrowed in Indian rupees from persons resident outside India (as defined in FEMA) cannot be utilised for re-lending activities, except for on lending/ re-lending to infrastructure sector. Accordingly, we will open and maintain a separate escrow accounts with the Escrow Collection Banks in connection with all Application Amounts received from RFPIs and Eligible NRIs Applicants across all Categories (the “**Non Resident Escrow Accounts**”). All application amounts received from RFPIs and Eligible NRI Applicants across all Categories shall be deposited in the Non Resident Escrow Account, maintained with each Escrow Collection Bank. Upon receipt of requisite instructions from the Lead Managers and the Registrar in the manner detailed in the Escrow Agreement, the Escrow Collection Banks shall transfer the monies from the Non Resident Escrow Accounts to a separate bank account, (“**Non Resident Public Issue Account**”), which shall be different from the Public Issue Account. Our Company shall at all times ensure that any monies kept in the Non Resident Escrow Account and the Non Resident Public Issue Account shall be utilised only in accordance with applicable statutory and/or regulatory requirements for the following purposes:

- (a) Debt servicing, which includes servicing of both the principal amounts as well as interest payments of various debt facilities availed by our Company in the past and currently outstanding in its books of accounts, including loans, market borrowing (which include our non-convertible bonds/ debentures);
- (b) Statutory payments;
- (c) Establishment and administrative expenses;

- (d) Other working capital requirements of our Company;
- (e) Lending / re-lending to the infrastructure sector;
- (f) Keeping in fixed deposits with banks in India pending utilization by them for permissible end-uses; and
- (g) Any other purposes and end-uses as may be allowed by RBI from time to time through relevant regulations/guidelines/clarifications issued by RBI.

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

- a) The payment instruments from all resident Applicants shall be payable into the Escrow Accounts drawn in favour of **“PFC Tax Free Bonds 2015– Escrow Account - R”**.
- b) The payment instruments from RFPIs and Eligible NRI Applicants across all Categories on repatriation basis shall be payable in the Non Resident Escrow Accounts drawn in favour of **“PFC Tax Free Bonds 2015 - Escrow Account NR- Repat”** and the payment instruments from RFPIs and Eligible NRI Applicants across all Categories on non repatriation basis shall be payable in the Non Resident Escrow Accounts drawn in favour of **“PFC Tax Free Bonds 2015 - Escrow Account NR- Non Repat”**.
- c) 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.
- d) The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants until the Designated Date.
- e) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts and the Non Resident Escrow Accounts as per the terms of the Escrow Agreement, the Shelf Prospectus and the Tranche I Prospectus into the Public Issue Account and the Non Resident Public Issue Account, respectively. The Escrow Collection Bank 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.

Please note that Applications accompanied by Application Amounts in cash/ stock invest/ money orders/ postal orders will not be accepted.

The Escrow Collection Banks will act in terms of the Shelf Prospectus, the Tranche I Prospectus and the Escrow Agreement. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein. It is mandatory for our Company to keep the proceeds of the Tranche I Issue in an escrow account until the documents for creation of security as stated in the Shelf Prospectus are executed.

Online Applications

The Company may decide to offer an online Application facility for the Bonds, as and when permitted by applicable laws, subject to the terms and conditions prescribed.

Additional information for Applicants

1. Application Forms submitted by Applicants (except for Applicants applying for the Bonds in physical form) whose beneficiary accounts are inactive shall be rejected.
2. For ASBA Applicants, no separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Members of the Syndicate or the SCSB or the Trading Member, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application

Forms do not bear the stamp of the Members of the Syndicate/ Trading Member or the relevant Designated Branch, they are liable to be rejected.

In case of ASBA Applications submitted to the SCSBs, in terms of SEBI circular dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the BSE 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, the 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 and Trading Members of the Designated Stock Exchange at the Specified Cities, the Basis of Allotment will be based on the validation by the Registrar to the Issue 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 SEBI circular 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, the 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 validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Bank(s) with the electronic details in terms of SEBI circular dated April 22, 2010 and SEBI circular 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, the 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 will 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.

Applicants are advised not to submit Application Forms to Escrow Collection Banks (unless such Escrow Collection Bank is also an SCSB) and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche I Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI Debt Regulations. Material updates, if any, between the date of filing of the Tranche I Prospectus with the RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

- (a) Applications must be made in the prescribed Application Form.
- (b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Tranche I Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Members of the Syndicate, or the Trading Members, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.
- (c) Applications are required to be for a minimum of ₹ 5,000
- (d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

- (e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. Applications can be in single or joint names (not exceeding three names).
- (f) 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 DP 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.
- (g) Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of BSE by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the Bonds.
- (h) ASBA Applicants utilising physical Application Forms must ensure that the Application Forms are completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the respective Tranche I Prospectus and in the Application Form.
- (i) If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- (j) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.
- (k) Applications for all the Series of the Bonds may be made in a single Application Form only.
- (l) All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form, choosing either the ASBA or Non-ASBA mechanism.
- (m) It shall be mandatory for the Applicants to the Tranche I 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.

We shall allocate and Allot Bonds of Tranche 1 Series 1A/1B maturity to all valid Applications (depending upon the Category of Applicants), wherein the Applicants have not indicated their choice of the relevant Series applied for.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE BONDS IN DEMATERIALISED FORM SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORMS ARE EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR

code. These Demographic Details would be used for giving Allotment Advice and refunds (for non-ASBA Applicants), 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 despatch/ credit of refunds to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Syndicate nor the Trading Members, nor the Registrar, nor the Escrow Collection Banks, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants applying for Allotment of the Bonds in dematerialized form may note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the BSE by the Members of the Syndicate, the Trading Members or the SCSBs, as the case may be, 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 and our Company, and the Members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all 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. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar except in relation to the Tranche I Issue.

By signing the Application Form, Applicants applying for the Bonds in dematerialised form would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Applicants 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) in the Application Form would be used only to ensure dispatch of refund orders. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Escrow Collection Banks, Registrar nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Tranche I Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

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

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Electronic registration of Applications

- (a) The Members of the Syndicate, SCSBs and Trading Members will register the Applications using the on-line facilities of the BSE. The Lead Managers, our Company, and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs and Trading Members, (ii) the Applications uploaded by the SCSBs and the Trading Members, (iii) the Applications accepted but not uploaded by the SCSBs or the Trading Members, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) with respect to ASBA Applications accepted and uploaded by Members of the Syndicate at the Syndicate ASBA Application Locations for which the Application Amounts are not blocked by the SCSBs.
- (b) The BSE will offer an electronic facility for registering Applications for the Tranche I Issue. This facility will be available on the terminals of the Members of the Syndicate, Trading Members and their authorised agents and the SCSBs during the Tranche I Issue Period. On the Tranche I Issue Closing Date, the Members of the Syndicate, Trading Members and the Designated Branches shall upload Applications till such time as may be permitted by the BSE. This information will be available with

the Members of the Syndicate and Trading Members on a regular basis. Applicants are cautioned that a high inflow of Applications on the last day of the Tranche I Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for Allotment.

- (c) Based on the aggregate demand for Applications registered on the electronic facilities of the BSE, a graphical representation of consolidated demand for the Bonds, as available on the website of the BSE, would be made available at the Application centres as provided in the Application Form during the Tranche I Issue Period.
- (d) At the time of registering each Application, SCSBs, the Members of the Syndicate and Trading Members, as the case may be, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Series(s) of Bonds applied, Application Amounts, details of payment instruments (for non – ASBA Applications) and any other details that may be prescribed by the online uploading platform of the BSE.
- (e) A system generated TRS will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the TRS from the SCSBs, Members of the Syndicate or the Trading Members, as the case may be. The registration of the Applications by the SCSBs, Members of the Syndicate or Trading Members does not guarantee that the Bonds shall be allocated/ Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (f) The permission given by the BSE 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 BSE; 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 this Tranche I Prospectus; nor does it warrant that the Bonds will be listed or will continue to be listed on the BSE.
- (g) In case of apparent data entry error by either the Members of the Syndicate or the Trading Members, 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 BSE.
- (h) Only Applications that are uploaded on the online system of the BSE shall be considered for Allotment.

General Instructions

Do's

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the Application Form;
- If the Allotment of the Bonds is sought in dematerialized form, ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;
- Applications are required to be in single or joint names (not more than three);
- 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. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;

- Ensure that Applications are submitted to the Members of the Syndicate, Trading Members or the Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Tranche I Issue Closing Date;
- 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 Members of the BSE, as the case may be;
- Ensure that the Applicant's names (for Applications for the Bonds in dematerialised form) given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the first named applicant whose name appears in the Application Form has signed the Application Form;
- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form for ASBA Applications;
- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. In case of Applications for Allotment in physical form, Applicants should submit a self-certified copy of their PAN card as part of the KYC documents. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
- Ensure that the Demographic Details (for Applications for the Bonds in dematerialised form) as provided in the Application Form are updated, true and correct in all respects;
- Ensure that you request for and receive a TRS for all your Applications and an acknowledgement as a proof of having been accepted;
- 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 the Bonds;
- 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;
- **Applicants (other than ASBA Applicants) are requested to write their names and Application number on the reverse of the instruments by which the payments are made;**
- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
- Tick the Series of Bonds in the Application Form that you wish to apply for.

Don'ts

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash, by money order, postal order, stock invest;
- Do not send the Application Forms by post; instead submit the same to the Members of the Syndicate and Trading Members or the SCSBs (as the case may be) only;
- Do not submit the Application Forms without the full Application Amount;

- Do not submit Application Forms to the Escrow Collection Banks (unless such Escrow Collection Bank is also an SCSB);
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- Do not fill up the Application Form such that the Bonds applied for exceeds the Tranche I 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;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not submit an Application in case you are not eligible to acquire the Bonds under applicable law or your relevant constitutional documents or otherwise;
- Do not submit the Application Forms without the Application Amount; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Additional instructions specific for ASBA Applicants

Do's

- 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;
- For ASBA Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Members of the Syndicate at the Syndicate ASBA Application Locations and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or Trading Members;
- For ASBA Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or the Members of the Syndicate or Trading Members.
- Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Members of the Syndicate at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;
- 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 the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, or the Trading Member, as the case may be, for the submission of the Application Form.

Don'ts

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts shall not be accepted under the ASBA process;
- Do not submit the Application Form with a Member of the Syndicate at a location other than the Syndicate ASBA Application Locations;
- Do not send your physical Application Form by post. Instead submit the same with a Designated Branch or a member of the Syndicate at the Syndicate ASBA Application Locations, or a Trading Member, as the case may be; and
- Do not submit more than five Application Forms per ASBA Account.

Applications shall be accepted only between 10 a.m. and 5 p.m. (Indian Standard Time), or such extended time as may be permitted by the BSE during the Tranche I Issue Period on all days between Monday and Friday, both inclusive barring public holidays, at the Collection Centres or with the Members of the Syndicate or Trading Members at the Syndicate ASBA Application Locations and the Designated Branches of SCSBs as mentioned on the Application Form. On the Tranche I Issue Closing Date, Applications shall be accepted only between 10 a.m. and 3 p.m. and shall be uploaded until 5 p.m. or such extended time as may be permitted by the BSE. It is clarified that the Applications not uploaded in the electronic application system of the BSE would be rejected.

Due to limitation of time available for uploading the Applications on the Tranche I Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Tranche I Issue Closing Date and, in any case, no later than 3 p.m. on the Tranche I Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Tranche I 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 Tranche I Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, Consortium Members or Trading Members are liable for any failure in uploading the Applications due to failure in any software/hardware system or otherwise.

Additional instructions specific for Applicants seeking Allotment of the Bonds in physical form

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.
- Please provide the following documents along with the Application Form:
 - (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; or
 - AADHAR letter; or
 - life insurance policy.

- 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 the 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 aforesaid 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 Bonds in dematerialised form only. Such Applicant shall not be Allotted 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, cooperative banks and regional rural banks authorized to invest in the Bonds, companies within the meaning of section 2(20) of the Companies Act, 2013 and bodies corporate registered under the applicable laws in India and authorized to invest in the Bonds; Limited Liability Partnerships; multilateral and bilateral development financial institutions, Alternative Investment Funds and state industrial development corporations	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:

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)
	- 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	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 under Categories II and III	N.A.
HUF through the Karta under Categories II and III	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 the applicant. - Self-attested copy of proof of Address of karta, identity proof of karta.
Power of Attorney under Category II and Category III	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
RFPIs	The Application must be also accompanied by certified true copies of: - SEBI registration certificates. - An inward remittance certificate. - A resolution authorising investment in the Bonds. - Specimen signatures of authorised persons
Eligible NRIs	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.

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)
	• A power of attorney, if any, in favour of one or more trustees thereof. • Such other documents evidencing registration thereof under applicable statutory/regulatory requirements

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, see the section titled “**Issue Procedure – Methods of Application**” on page 88 of this Tranche I Prospectus.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the Bonds for the same or different Series of Bonds, subject to a minimum Application size of ₹ 5,000 and in multiples of ₹ 1,000 thereafter, for each Application. 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 Applicant belonging to Category IV aggregating to a value exceeding ₹ 10,00,000 shall be grouped in Category III, 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 an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be a multiple Application.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the Bonds in dematerialised form. In this context:

- (i) Tripartite Agreements dated September 20, 2011, between us, the Registrar and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.
- (ii) It may be noted that Bonds in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL or CDSL. The BSE has connectivity with NSDL and CDSL.
- (iii) 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/ book closure 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.
- (iv) The trading of the Bonds shall be in dematerialized form only.

For further information relating to Applications for Allotment of the Bonds in dematerialised form, see the sections titled “**Issue Procedure – Methods of Application**” and “**Issue Procedure – General Instructions**” on pages 88 and 103 of this Tranche I Prospectus, respectively.

Communications

All future communications in connection with Applications made in this Tranche I Issue should be addressed to

the Registrar quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Compliance Officer as well as the contact persons of our Company/ Lead Managers or the Registrar in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of Allotment Advice/ credit of Bonds in depository's beneficiary account/ refund orders, etc., Applicants may contact our Compliance Officer as well as the contact persons of our Company/Lead Managers or Registrar. Please note that Applicants who have applied for the Bonds through Trading Members should contact the BSE in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / credit of Bonds in depository's beneficiary account/ refund orders, etc.

Rejection of Applications

The Board of Directors and/or any committee of our Company and/or the Chairman and Managing Director 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:

- Number of Bonds applied for being less than the minimum Application size;
- Applications not being signed by the sole/ joint Applicants;
- Applications submitted without payment of the Application Amount;
- If the Application Amount is paid through a non-CTS-2010 cheque which does not get cleared within 6 Working Days from the Tranche I Issue Closing Date;
- 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;
- Applications submitted without payment of the full Application Amount. However, our Company may allot Bonds upto the full value of the Application Amount paid, in the event that such Application Amounts exceed the minimum Application Size;
- In case of Applicants applying for Allotment in physical form, date of birth of the sole/ first Applicant not mentioned in the Application Form;
- Investor Category in the Application Form not being ticked;
- In case of Applications for Allotment in physical form, bank account details not provided in the Application Form;
- Signature of the Applicant missing;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor (without the name of a guardian) and insane persons;
- Applications by stock invest or accompanied by cash/money order/postal order;
- Applications made without mentioning the PAN of the Applicant;
- GIR number mentioned in the Application Form instead of PAN;
- 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;
- Applications submitted directly to the Escrow Collection Banks (if such Escrow Collection Bank is not an SCSB);
- ASBA Applications submitted to the Members of Syndicate or a Trading Members at locations other than the Syndicate ASBA Application Locations 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;
- For Applications for Allotment in dematerialised form, DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;
- 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;
- Application Forms from ASBA Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant;
- Applications for an amount below the minimum Application size;

- ASBA Applications not having details of the ASBA Account to be blocked;
- Applications (except for ASBA Applications) where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form 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;
- Non- ASBA Applications accompanied by more than one payment instrument;
- Applications not uploaded on the terminals of the BSE;
- Applications for Allotment of Bonds in dematerialised form providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- With respect to ASBA Applications, the ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds;
- Applications by foreign nationals 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;
- 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;
- Bank certificate not provided along with demand draft for Eligible NRI Applicants;
- PIO Applications without the PIO Card;
- SCSBs 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 issues;
- Where PAN details in the Application Form and as entered into the bidding platform of the BSE, are not as per the records of the Depositories; and
- In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form.

For further instructions regarding Application for the Bonds, Applicants are requested to read the Application Form.

Allotment Advice/ Refund Orders

In case of Applications other than those made through the ASBA process, the unutilised portion of the Application Amounts will be refunded to the Applicant within 12 (twelve) Working Days of the Tranche I Issue Closure Date through any of the following modes:

- Direct Credit** – Applicants having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.
- NECS** – Payment of refund would be done through NECS for Applicants having an account at any of the 68 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 as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
- 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 MICR, allotted 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. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their

bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

- iv. **RTGS** – If the refund amount exceeds ₹ 2,00,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) 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.
- v. For all other Applicants (not being ASBA Applicants), refund orders will be despatched through speed post/ registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Applicants and payable at par at places where Application are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.
- vi. Credit of refunds to Applicants in any other electronic manner permissible under the banking laws, which are in force and are permitted by SEBI from time to time.

In the case of Applicants other than ASBA Applicants, applying for the Bonds in dematerialised form, the Registrar will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Applicants in their Application Forms. Accordingly, Applicants are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Applicant's sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the 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 for such delay.

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 (twelve) Working Days of the Tranche I Issue Closing Date.

Our Company and the Registrar shall credit the allotted Bonds to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret/ Refund Orders by registered post/speed post/ordinary post at the Applicant's sole risk, within 12 Working Days from the Tranche I Issue Closure Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the Applicants through Direct Credit/RTGS/NEFT.

Further,

- a) Allotment of Bonds in the Tranche I Issue shall be made within a time period of 12 Working Days from the Tranche I Issue Closure Date;
- b) Credit to dematerialised accounts will be given within two Working Days from the Date of Allotment;
- c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the Applicants within 12 Working Days from the Tranche I Issue Closure Date, for the delay beyond 12 Working Days; and
- d) Our Company will provide adequate funds to the Registrar for this purpose.

Retention of oversubscription

Our Company is making a public issue of the Bonds for an amount of ₹ 100 crores with an option to retain oversubscription up to ₹ 600 crores aggregating to ₹ 700 crores.

Grouping of Applications and allocation ratio

For the purposes of the Basis of Allotment:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, ("**Category I Portion**");

- B.** Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, (“**Category II Portion**”);
- C.** Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together (“**Category III Portion**”); and
- D.** Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together (“**Category IV Portion**”).

For removal of doubt, the terms “**Category I Portion**”, “**Category II Portion**”, “**Category III Portion**” and “**Category IV Portion**” are individually referred to as a “**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 over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche I Issue upto ₹ 600 crore for issuance of additional bonds aggregating to total of upto ₹ 700 crores. The aggregate value of Bonds decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription 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

The allocation ratio for each of the Portions is set out below:

Category I Portion	Category II Portion	Category III Portion	Category IV Portion
10% of the Overall Issue Size.	25% of the Overall Issue Size	25% of the Overall Issue Size.	40% of the Overall Issue Size.

Basis of Allotment

Basis of Allotment for Bonds

(a) Allotments in the first instance:

- Applicants belonging to the Category I, in the first instance, will be allocated Bonds upto 10% of the Tranche I 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 BSE);
- Applicants belonging to the Category II, in the first instance, will be allocated Bonds upto 25% of Tranche I 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 BSE);
- Applicants belonging to the Category III, in the first instance, will be allocated Bonds upto 25% of Tranche I 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 BSE);
- Applicants belonging to the Category IV, in the first instance, will be allocated Bonds upto 40% of Tranche I 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 BSE).

(b) Under subscription

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

- Category IV Portion;
- Category III Portion;
- Category II Portion; and
- 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) Minimum allotments of one Bonds would be made in case of each valid Application.

(e) 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 BSE, 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 Tranche I 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.

(f) 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 Tranche I 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 Tranche I Prospectus. 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 Series of Bond.

Our Company has the discretion to close the Tranche I 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.

Investor Withdrawals and Pre-closure

Withdrawal of Applications during the Tranche I Issue Period

Withdrawal of Direct Online Applications

Direct Online Applications may be withdrawn in accordance with the procedure prescribed by the BSE.

Withdrawal of ASBA Applications

ASBA Applicants can withdraw their Applications during the Tranche I Issue Period by submitting a request for the same to the Member of the Syndicate, Trading Member or Designated Branch of an SCSB, as the case may be, through whom the ASBA Application had been made. In case of ASBA Applications submitted to the Members of the Syndicate or Trading Members at the Syndicate ASBA Application Locations, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Member of the Syndicate or Trading Member, as the case may be, shall undertake requisite actions, including deleting details of the withdrawn ASBA Application Form from the electronic platform of the BSE. In case of ASBA Applications submitted directly to a Designated Branch of an SCSB, upon receipt of the request for withdrawal from an ASBA Applicant, the relevant Designated Branch shall undertake requisite actions, including deleting details of the withdrawn ASBA Application Form from the electronic platform of the BSE and un-blocking of the funds in the ASBA Account directly.

Withdrawal of non – ASBA Applications

Non-ASBA Applicants can withdraw their Applications during the Tranche I Issue Period by submitting a request for the same to the Member of the Syndicate or Trading Member, as the case may be, through whom the Application had been made. Upon receipt of the request for withdrawal from the Applicant, the relevant Member of the Syndicate or Trading Member, as the case may be, shall undertake requisite actions, including deleting details of the withdrawn Application Form from the electronic platform of the BSE.

Withdrawal of Applications after the Tranche I Issue Period

In case an Applicant wishes to withdraw an Application after the Tranche I Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Tranche I Issue at any time prior to the Tranche I Issue Closing Date. 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.

Revision of Applications

Applicants may revise/modify their Application details during the Tranche I Issue Period, as allowed/permitted by the BSE, by submitting a written request to a Member of the Syndicate/Trading Member of the Designated Stock Exchange/Designated Branch of an SCSB, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. **Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Tranche I Issue Closing Date. 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 BSE as per the procedures and requirements prescribed by BSE, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.**

Trading of Bonds on the floor of the BSE will be in dematerialised form only in multiples of one Bond

Allottees will have the option to re-materialise the Bonds Allotted in the Tranche I Issue as per the Companies Act, 2013 and the Depositories Act.

Utilisation of Application Amounts

The sum received in respect of the Tranche I 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 the proceeds of the Issue

Our Board of Directors certifies that:

- (a) All monies received pursuant to the Tranche I Issue of Bonds to public shall be transferred to a separate

bank account other than the bank account referred to in Section 40 of the Companies Act, 2013.

- (b) The allotment letter shall be issued or application money shall be refunded within the time specified in chapter titled “**Issue Procedure**” on page 85 of this Tranche I Prospectus, failing which interest shall be due to be paid to the Applicants at the rate of 15 % for the delayed period;
- (c) 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.
- (d) 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.
- (e) We shall utilize the Tranche I Issue proceeds only upon creation of security as stated in the Shelf Prospectus, receipt of the listing and trading approval from the BSE.
- (f) The Tranche I Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

All subscription monies received from RFPIs and Eligible NRI Applicants across all Categories through the Tranche I Issue shall be kept in a separate account opened and maintained by the Company, the proceeds of which account shall not be utilised for any lending purposes, except for on lending/ re-lending to infrastructure sector (being our business), in terms of the FEMA Borrowing Regulations.

Impersonation

Attention of the Applicants 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.”

Listing

The Bonds will be listed on the BSE. Our Company has applied for an in-principle approval to the BSE for permission to deal in and for an official quotation of our Bonds. The application for listing of the Bonds will be made to the BSE at an appropriate stage.

If permissions to deal in and for an official quotation of the Bonds are not granted by the BSE, our Company will forthwith repay, without interest, all such moneys received from the Applicants pursuant to this Prospectus. If such money is not repaid within the period prescribed under the Companies Act, our Company and every officer in default shall be liable to pay interest at 15% per annum on the application money. Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the BSE are taken within 12 Working Days of the Tranche I 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 of Bonds, such Bonds with Series of Bonds shall not be listed.

Undertaking by the Issuer

We undertake that:

- a) the complaints received in respect of this Tranche I Issue (except for complaints in relation to Applications submitted to Trading Members) shall be attended to by us expeditiously and satisfactorily;
- b) we shall take necessary steps for the purpose of getting the Bonds listed within the specified time;
- c) the funds required for dispatch of refund orders/ allotment advice/ certificates by registered post shall be made available to the Registrar by our Company;
- d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the Bonds are outstanding;
- e) we shall forward the details of utilisation of the funds raised through the Bonds duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;
- f) we shall disclose the complete name and address of the Debenture Trustee in our annual report;
- g) we shall provide a compliance certificate to the Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of Bonds as contained in the Tranche I Prospectus and
- h) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

Interest in case of Delay

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

SECTION IV- MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Tranche I Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on working days (Monday to Friday) at the Registered and Corporate Office of our Company situated at 'Urjanidhi', 1 Barakhamba Lane, Connaught Place, New Delhi 110001, India between 10 a.m. and 5 p.m. on any working day (Monday to Friday) during which the Tranche I Issue is open for public subscription under this Tranche I Prospectus.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated September 8, 2015 between our Company and the Lead Managers.
2. Agreement dated September 2, 2015 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated August 28, 2015 executed between our Company and the Debenture Trustee.
4. Escrow Agreement dated September 16, 2015 between our Company, the Registrar, the Escrow Collection Bank(s), and the Lead Managers.
5. Consortium Agreement dated September 19, 2015 between our Company, the Consortium Members and the Lead Managers.
6. Tripartite agreement dated September 4, 2015 among our Company, the Registrar and CDSL.
7. Tripartite agreement dated September 7, 2015 among our Company, the Registrar and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated July 16, 1986.
3. Certificate of Registration as an NBFC from the RBI dated February 10, 1998.
4. Certificate of Registration as an NBFC -ND-IFC from the RBI dated July 28, 2010.
5. Memorandum of Understanding between our Company and MoP dated March 31, 2015.
6. Copy of shareholders resolution dated June 20, 2014, under section 180 (1) (c) of the Companies Act, 2013 on borrowing limits of the Board of Directors of our Company.
7. Copy of the resolution by the Board of Directors dated February 11, 2015, approving the issue of tax-free bonds.
8. Copy of the resolution passed by circulation by the Board of Directors on September 10, 2015 approving the Draft Shelf Prospectus.
9. Copy of the resolution passed by the Board of Directors and/or Committee of Directors at its meeting held on September 22, 2015 approving the Shelf Prospectus and Tranche I Prospectus.
10. Letters dated April 7, 2015 by CRISIL assigning a rating of 'CRISIL AAA/ Stable' to the long term borrowing programme of our Company for the Fiscal 2016 and revalidation letter dated June 23, 2015, August 27, 2015 and September 16, 2015.
11. Letter dated April 8, 2015 by ICRA assigning a rating of '[ICRA]AAA' to the long term borrowing programme of our Company (including bonds and long term bank borrowing) for the Fiscal 2016 and revalidation letter dated June 22, 2015, August 31, 2015 and September 17, 2015.
12. Letters dated April 7, 2015 by CARE assigning a rating of 'CARE AAA' to the long term borrowing programme of our Company for the Fiscal 2016 and revalidation letter dated June 22, 2015, August 31, 2015 and September 17, 2015.
13. Consents of each of the Directors, our Company Secretary and Compliance Officer, Lead Managers, Members of the Consortium, Legal Counsel to the Company, Bankers to the Issue and Refund Banks, Registrar to the Issue, Bankers to our Company, the Debenture Trustee for the Bonds and the Credit Rating Agencies to include their names in this Tranche I Prospectus, in their respective capacities.
14. 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 Shelf Prospectus and their statement on tax benefits mentioned herein.
15. Auditor's Report dated August 26, 2015 on the reformatted financial information prepared under Indian GAAP for the financial years ended March 31, 2011, 2012, 2013, 2014 and 2015.
16. Limited review report dated August 14, 2015 on the unaudited standalone financial results of our Company for the quarter ended June 30, 2015.
17. Statement of tax benefits dated September 7, 2015 issued by our Statutory Auditors.
18. Notification No. 59/2015 dated July 6, 2015 issued by the CBDT.
19. Annual Report of our Company for the last five Fiscals.

20. In-principle listing approval from BSE by its letter no. DCS/SJ/PI-Bond/05/15-16 dated September 18, 2015.
21. Due Diligence Certificate dated September 21, 2015 filed by the Lead Managers with SEBI.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Bondholders, in the interest of our Company in compliance with applicable laws.

DECLARATION

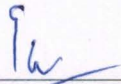
We, the Directors of the Company, hereby certify & declare that all the relevant provisions of the Companies Act, 1956, as amended, relevant provisions of Companies Act, 2013, as amended and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules thereunder in connection with this Tranche I Issue have been complied with and no statement made in the Tranche I Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to the Tranche I Prospectus.

We further certify that all the disclosures and statements in the Tranche I Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that the Tranche I Prospectus does not contain any misstatements.

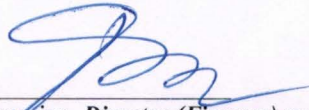
Signed by the Board of Directors of the Company



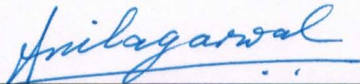
Mr. Mukesh Kumar Goel, *Chairman and Managing Director; additional charge of Director (Commercial) and Whole Time Director*



Mr. Badri Narayan Sharma, *Director (Government Nominee)*



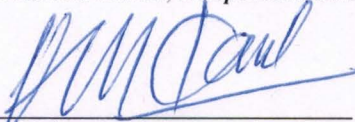
Mr. Radhakrishnan Nagarajan, *Director (Finance) and Whole Time Director*



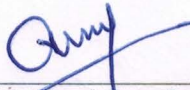
Mr. Anil Kumar Agarwal, *Director (Projects) and Whole Time Director*



Mr. J N Prasanna Kumar, *Independent Director*



Mr. Vijay Mohan Kaul, *Independent Director*



Mr. Yogesh Chand Garg, *Independent Director*

Place: New Delhi

Date: 22/9/2015

ANNEXURE A-SHELF PROSPECTUS DATED SEPTEMBER 22, 2015