SECTION VI – ISSUE INFORMATION

ISSUE STRUCTURE

Pursuant to the CBDT Notification, our Company is authorized to undertake the Issue. Our Company proposes to raise an amount of ₹ 400 crore with an option to retain oversubscription of upto ₹ 300 crore for issuance of additional bonds aggregating to a total of up to ₹ 700* crore by way of public issue during fiscal 2016.

** 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 has already issued tax-free secured redeemable non-convertible bonds amounting to ₹ 300 crore being 30.00% of the Allocated Amount by way of private placement and now plans to raise the balance ₹ 700 crore through this issue. Our Company shall ensure that bonds issued pursuant to the CBDT Notification through public issue route and private placement route in fiscal 2016 shall, in aggregate, not exceed ₹ 1,000 crore.*

The Issue has been authorized by resolution of the Board passed during meeting held on July 30, 2015.

Particulars of the Bonds

The following are the details of the principal terms and conditions of the Issue. This section should be read in conjunction with, and is qualified in its entirety by, detailed information in "***Terms of the Issue***" on page 144.

<table>
<tr><th colspan="5">COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS</th></tr>
<tr><td>Lead Managers</td><td colspan="4">AK Capital, Axis, Edelweiss and SBICAP</td></tr>
<tr><td>Issuer</td><td colspan="4">NTPC Limited</td></tr>
<tr><td>Type of instrument/Issue of Bonds/Issue Size</td><td colspan="4">Public issue by our Company of tax-free secured redeemable non-convertible Bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, for an amount of ₹ 400 crore with an option to retain oversubscription of up to ₹ 300 crore for issuance of additional bonds aggregating to a total of up to ₹ 700* crore during fiscal 2016.

* 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 has already issued tax-free secured redeemable non-convertible bonds amounting to ₹ 300 crore being 30.00% of the Allocated Amount by way of private placement and now plans to raise the balance ₹ 700 crore through this issue. Our Company shall ensure that bonds issued pursuant to the CBDT Notification through public issue route and private placement route in fiscal 2016 shall, in aggregate, not exceed ₹ 1,000 crore.</td></tr>
<tr><td>Face Value (₹) per Bond</td><td colspan="4">₹ 1,000</td></tr>
<tr><td>Issue Price (₹) per Bond</td><td colspan="4">₹ 1,000</td></tr>
<tr><td>Minimum Application and in the multiple of thereafter</td><td colspan="4">5 Bonds (₹ 5,000) (individually or collectively, across all Series of Bonds) and in the multiple of One Bond (₹ 1,000) thereafter</td></tr>
<tr><td>Nature of Bonds</td><td colspan="4">Tax-free secured redeemable and non-convertible</td></tr>
<tr><td>Nature of Indebtedness and Ranking/Seniority</td><td colspan="4">The claims of the Bondholders shall be superior to the claims of any unsecured creditors of our Company and subject to applicable statutory and/or regulatory requirements, rank pari passu inter se to the claims of other secured creditors of our Company having the same security.</td></tr>
<tr><td>Mode of Issue</td><td colspan="4">Public issue</td></tr>
<tr><td>Minimum Subscription</td><td colspan="4">None</td></tr>
<tr><td rowspan="2">Eligible Investors</td><td>Category I/QIBs#</td><td>Category II/Corporates#</td><td>Category III/HNIs</td><td>Category IV/Retail Individual Investors</td></tr>
<tr><td>• PFIs as defined in Section 2(72) of the Companies Act 2013;
• Alternative</td><td>• Companies falling within the meaning of Section 2(20) of the Companies</td><td>Investors falling under the following categories applying for an amount aggregating to more</td><td>Investors falling under the following categories applying for an amount aggregating up to and</td></tr>
</table>

<table>
<tr><th colspan="2">COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS</th></tr>
<tr><td></td><td>
<table>
<tr>
<td>Investment Funds;
• Scheduled commercial banks;
• MFs registered with SEBI;
• State industrial development corporations;
• Insurance companies registered with the IRDA;
• Provident funds with a minimum corpus of ₹ 25 crore;
• Pension funds with a minimum corpus of ₹ 25 crore;
• The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India;
• Insurance funds set up and managed by the army, navy, or air force of the Union of India; and
• Insurance funds set up and managed by the Department of Posts, India,

subject to such being authorized to invest in the Bonds.</td>
<td>Act 2013; and
• Limited liability partnerships, statutory corporations, trusts, partnership firms in the name of their respective partners, associations of persons, co-operative banks, regional rural banks, societies registered under the applicable laws in India and other legal entities constituted and/or registered under applicable laws in India,

that are authorized to invest in Bonds by their respective constitutional and/or charter documents, subject to compliance with respective applicable laws.</td>
<td>than ₹ 10 lakh across all Series of Bonds in the Issue:

• Resident Individual Investors;
• NRIs applying on a non-repatriation basis only; and
• HUF applying in the name of their respective kartas.</td>
<td>including ₹ 10 lakh across all Series of Bonds in the Issue:

• Resident Individual Investors;
• NRIs applying on a non-repatriation basis only; and
• HUF applying in the name of their respective kartas.</td>
</tr>
</table>
See general circular (No. 6/2015), dated April 9, 2015 issued by the MCA clarifying that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the prevailing yield of one year, three year, five year or ten year government security closest to the tenor of the loan, there is no violation of Section 186(7) of the Companies Act, 2013.
</td></tr>
<tr><td>Pay-in Date</td><td>Application Date. Full amount with the Application Form, except ASBA Applications. See “Issue Procedure – Payment Instructions” on page 173.</td></tr>
<tr><td>Listing</td><td>The Bonds are proposed to be listed on BSE and NSE, with BSE being the Designated Stock Exchange. For more information, see “Terms of the Issue – Listing” on page 156</td></tr>
<tr><td>Credit Ratings</td><td>[ICRA] AAA (Stable) by ICRA, CRISIL AAA by CRISIL, and CARE AAA (Triple A) by CARE. See “Annexure B – Credit Rating”.</td></tr>
<tr><td>Objects of the Issue and Utilisation of Proceeds</td><td>See “Objects of the Issue” on page 54.</td></tr>
<tr><td>Security</td><td>See “Terms of the Issue - Security” on page 144.</td></tr>
<tr><td>Asset Cover</td><td>See “Terms of the Issue - Security” on page 144.</td></tr>
<tr><td>Nature of Indebtedness and Ranking/Seniority</td><td>See “Terms of the Issue – Ranking of the Bonds” on page 157.</td></tr>
<tr><td>Put/Call</td><td>None</td></tr>
<tr><td>Mode of Issuance</td><td>In dematerialized form only**</td></tr>
<tr><td>Bond Trustee</td><td>IDBI Trusteeship Services Limited</td></tr>
<tr><td>Mode of Trading</td><td>In dematerialized form only**</td></tr>
<tr><td>Registrar to the Issue</td><td>Karvy Computershare Private Limited</td></tr>
<tr><td>Modes of</td><td>See “Terms of the Issue – Manner and Modes of Payment” on page 152.</td></tr>
</table>

COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS	
Payment/Settlement Mode	
Market Lot/Trading Lot	One Bond
Deemed Date of Allotment	The date on which the Board approves the Allotment of Bonds for the Issue or such date as may be determined by the Board and notified to the Designated Stock Exchange. All benefits accruing in relation to the Bonds including interest on Bonds shall be available from Deemed Date of Allotment. Actual Allotment of Bonds may occur on a date later than Deemed Date of Allotment
Record Date	See "***Terms of the Issue – Record Date***" on page 153.
Working Day Convention/Day Count	See "***Terms of the Issue – Payment of Interest on the Bonds***" on page 148.
Transaction Documents	Documents/undertakings/agreements entered, or to be entered, into by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue, including but not limited to the following. Bond Trust Deed: Trust Deed will be entered into between the Bond Trustee and our Company within the prescribed timelines Bond Trustee Agreement: Bond Trustee Agreement dated September 4, 2015, entered into between the Bond Trustee and our Company Escrow Agreement: Agreement dated September 14, 2015 entered into by our Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) Issue Agreement: The agreement dated September 4, 2015, entered into between our Company and the Lead Managers Consortium Agreement: Consortium Agreement dated September 14, 2015 entered into between our Company and the Consortium Members Registrar Agreement: Agreement dated September 4, 2015, entered into between our Company and the Registrar to the Issue Tripartite Agreements: Tripartite agreement dated September 3, 2004 between our Company, CDSL and the Registrar to the Issue and the tripartite agreement dated July 16, 2004 between our Company, NSDL and the Registrar to the Issue
Issue Opening Date	September 23, 2015
Issue Closing Date	September 30, 2015.The Issue shall remain open for subscription from 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period with an option for early closure or extension, as may be decided by the Board or an authorised representative of the Board
Interest on Application Amount	See "***Terms of the Issue-Interest on Application and Refund Money***" on page 149
Default Interest Rate	As per applicable statutory and/or regulatory requirements
Redemption Premium/Discount	Nil
Conditions precedent/subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See "***Terms of the Issue - Utilisation of Issue Proceeds***" on page 156
Event of Default	See "***Terms of the Issue***" on page 144
Cross Default	Not applicable
Roles and Responsibilities of Bond Trustee	See "***Terms of the Issue- Bond Trustee***" on page 155
Discount at which Bond is issued and the effective yield as a result of such discount	None
Governing Law	Laws of the Republic of India
Jurisdiction	The courts of New Delhi will have exclusive jurisdiction for the purposes of the Issue.
Coupon/Interest Payment Dates	See "***Terms of the Issue – Payment of Interest on the Bonds***" on page 148
Coupon/Interest Reset Process	None
Frequency of Coupon/Interest Payment	Annual
Step-up/Step-down	Nil

COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS	
Coupon Rate	
Depositories	NSDL and CDSL
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
Coupon/Interest Type	Fixed coupon rate

***In terms of Regulation 4(2)(d) of the SEBI Debt Regulations and Section 29(1) of the Companies Act 2013, our Company will make the public issue of the Bonds in the dematerialized form.*

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

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

SPECIFIC TERMS AND CONDITIONS FOR EACH SERIES OF BONDS

Options	Option 1	Option 2	Option 3
Tenure of Bonds	10 years	15 years	20 years
Maturity/Redemption Date	10 years from Deemed Date of Allotment	15 years from Deemed Date of Allotment	20 years from Deemed Date of Allotment
Coupon Rates for Category I, II and III#			
Series of Bonds*	**Series 1A**	**Series 2A**	**Series 3A**
Coupon Rate (%) *per annum*	7.11%	7.28%	7.37%
Annualized Yield (%) *per annum*	7.11%	7.28%	7.37%
Coupon Rates for Category IV			
Series of Bonds*	**Series 1B**	**Series 2B**	**Series 3B**
Coupon Rate (%) *per annum*	7.36%	7.53%	7.62%
Annualized Yield (%) *per annum*	7.36%	7.53%	7.62%

** Our Company shall allot Series 1A / Series 1B (depending upon the category of Applicants) for all valid applications, wherein the Applicants have not indicated their choice of the relevant Series of Bonds.*

 # Pursuant to the CBDT Notification and for avoidance of doubt, it is clarified as under:

a. *The coupon rates indicated under Series 1B, Series 2B and Series 3B shall be payable only on the Retail Individual Investor Portion in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under the Retail Individual Investor Category/Category IV;*

b. *If the Bonds allotted against Series 1B, Series 2B and Series 3B are transferred by Retail Individual Investors to Non- Retail Individual Investors, being Category I, Category II and Category III investors, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Series 1A, Series 2A and Series 3A respectively;*

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

d. *If on any Record Date, the original Retail Individual Investor Allotee(s)/transferee(s) hold the Bonds under Series 1A, Series 1B, Series 2A, Series 2B, Series 3A and Series 3B for an aggregate face value amount of over ₹10 lakh, then the coupon rate applicable to such Retail Individual Investor Allottee(s)/transferee(s) on Bonds under Series 1B, Series 2B, Series 3B shall stand at par with coupon rate applicable on Series 1A, Series 2A, and Series 3A, respectively;*

e. *Bonds Allotted under Series 1A, Series 2A and Series 3A shall carry coupon rates indicated above until the maturity of the respective Series of Bonds irrespective of category of holder(s) of such Bonds; and*

f. *For the purpose of classification and verification of status of the eligibility of a Bondholder under the Retail Individual Investor category, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds Allotted under the Issue shall aggregated on the basis of PAN.*

Minimum Subscription

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

Market Lot and Trading Lot

As per the SEBI Debt Regulations, since trading in the Bonds will be in dematerialized form only, the tradable lot is one Bond. Our Company has made depository arrangements with CDSL and NSDL ("**Depositories**") for trading of the Bonds in dematerialized form, pursuant to the tripartite agreement dated September 3, 2004 among our Company, CDSL and the Registrar to the Issue and the tripartite agreement dated July 16, 2004 among our Company, NSDL and the Registrar to the Issue.

Listing

See "***Terms of the Issue – Listing***" on page 156.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

The CBDT has, pursuant to its notification, authorized our Company to undertake the Issue. Our Company proposes to raise through public issue route and private placement route an amount aggregating up to ₹ 1,000 crore during fiscal 2016.

** 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 has already issued tax-free secured redeemable non-convertible bonds amounting to ₹ 300 crore being 30.00% of the Allocated Amount by way of private placement and now plans to raise the balance ₹ 700 crore through this issue. Our Company shall ensure that bonds issued pursuant to the CBDT Notification through public issue route and private placement route in fiscal 2016 shall, in aggregate, not exceed ₹ 1,000 crore.*

The Issue has been authorized by resolution of the Board passed during meeting held on July 30, 2015.

Terms and Conditions of the Issue

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

For more information, see "***Issue Structure***" on page 139.

Face Value

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

Security

The Bonds will be secured by a *pari passu* charge on specified moveable and/ or immovable assets of the Company as may be mentioned in the Bond Trust Deed. The Bonds will have asset cover of one time of the total outstanding amount of Bonds and interest thereon. Our Company reserves the right to create further charge on such asset cover for its present and future financial requirements or otherwise, or as provided for under the Bond Trust Deed, provided that minimum asset cover of one time is maintained.

Our Company has obtained no-objection certificates wherever required from the existing debenture trustees/lenders prior to creation of asset cover of one time of the Bonds including interest thereon.

The Bondholders are entitled to the benefit of the Bond Trust Deed and are bound by and are deemed to have notice of all provisions of the Bond Trust Deed.

Credit Rating

ICRA Limited ("**ICRA**") has, by its letter (No. D/RAT/2015-16/N3/1) dated August 14, 2015, assigned a rating of [ICRA] AAA (stable) to the Bonds, and revalidated such rating by letter (No. D/RAT/2015-16/N3/5) dated September 1, 2015. CRISIL Limited ("**CRISIL**") has, by its letter (No. NTPCLTD/137722/NCD/081500586) dated August 13, 2015, assigned a rating of CRISIL AAA to the Bonds, and revalidated such rating by letter (No. RG/NTPCL/SN/31714) dated September 1, 2015. Credit Analysis and Research Limited ("**CARE**") has, by its letter (No. CARE/DRO/RL/2015-16/1606) dated September 1, 2015 assigned a rating of CARE AAA (Triple A) to the Bonds. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. These ratings are not a recommendation to buy, sell or hold securities, and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agency(ies) and should be evaluated independently of any other ratings. For further details, see “***Annexure B – Credit Rating***”.

Issue Period

Issue Opens On	September 23, 2015
Issue Closes On	September 30, 2015

The Issue shall remain open for subscription during the period indicated above with an option for early closure or extension, as may be decided by the Board or an authorised representative of the Board. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in at least one leading national daily newspaper with wide circulation.

Applications Forms for the Issue will be accepted only between 10.00 A.M. and 5.00 P.M. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges during the Issue Period mentioned above, between Monday and Friday, both inclusive, barring public holidays: (i) by the members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, at the centres mentioned in the Application Form through the non-ASBA mode, or (ii) in case of ASBA Applications, (a) directly by Designated Branches of SCSBs or (b) by the centres of the members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, only at the specified cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) (“**Specified Cities**”), except that on the Issue Closing Date, Application Forms will be accepted only between 10.00 A.M. and 3.00 P.M. (Indian Standard Time) and uploaded until 5.00 P.M. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges (after taking into account the total number of Applications received up to the closure of timings for acceptance of Application Forms as stated herein). Applicants may also make their Applications through Direct Online Application Mechanism (see “***Issue Procedure***” on page 175 for further information) using the online payment facility offered through the Stock Exchange(s) during the Issue Period, subject to such online payment facility being made available by the Stock Exchange(s) prior to the date of filing of the Prospectus by our Company with RoC.

Due to limitation of time available for uploading Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 P.M. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue.

The Bonds are being issued at par and the full amount of the face value per Bond is payable on Application, except ASBA Application.

Neither our Company nor the members of the Syndicate or Trading Members of the Stock Exchanges shall be liable for any failure in uploading Applications due to failure in any software/hardware system or otherwise.

MINIMUM SUBSCRIPTION

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

ESCROW MECHANISM

See “***Issue Procedure – Payment Instructions***” on page 173.

ALLOTMENT OF BONDS

Deemed Date of Allotment

The Deemed Date of Allotment will be the date on which, the Board approves the Allotment of Bonds for the Issue or such date as may be determined by the Board and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified in this Prospectus) shall accrue to the Bondholders from Deemed Date of Allotment. Actual Allotment of the Bonds may occur on a date later than Deemed Date of Allotment.

Group of Applications and Allocation Ratio

The Registrar to the Issue will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchanges and determine the valid Applications for the purpose of drawing the basis of allocation. Grouping of the Application received will be then done in the following manner:

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 ("**QIB Portion**");

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

c) *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together; ("**High Net Worth Individual Portion**"); and

d) *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together. ("**Retail Individual Investor Portion**").

Pursuant to the CBDT Notification, at least 40.00% of the Issue Size shall be reserved for Retail Individual Investors.

Allocation Ratio

QIB Portion	Corporate Portion	High Net Worth Individual Portion	Retail Individual Investor Portion
10% of the Issue Size	25% of the Issue Size	25% of the Issue Size	40.00% of the Issue Size

Basis of Allotment

(a) *Allotments in the first instance:*

(i) Applicants under Category I/QIBs, in the first instance, will be Allotted the Bonds up to 10% of the Issue Size on a first-come-first-serve basis determined on the basis of the date of upload of each Application into the electronic system of the Stock Exchanges;

(ii) Applicants under Category II/Corporates, in the first instance, will be Allotted the Bonds up to 25% of the Issue Size on a first-come-first-serve basis determined on the basis of the date of upload of each Application into the electronic system of the Stock Exchanges;

(iii) Applicants belonging to the Category III/High Net Worth Individuals, in the first instance, will be Allotted Bonds up to 25% of the Issue Size on a first-come-first-serve basis determined on the basis of the date of upload of each Application in to the electronic system of the Stock Exchanges;

(iv) Applicants belonging to the Category IV/Retail Individual Investors, in the first instance, will be Allotted Bonds up to 40.00% of the Issue Size on a first-come-first-serve basis determined on the basis of the date of upload of each Application in to the electronic system of the Stock Exchanges.

Allotments, in consultation with the Designated Stock Exchange, shall be made on a first-come-first-serve basis determined on the basis of the date of upload of each Application into the electronic system of the Stock Exchanges, in each Portion, as described above.

(b) *Undersubscription in any Portion:*

If there is any undersubscription in any Portion (while other Portions are oversubscribed), priority in Allotments will be given in the following order (in decreasing order of priority):

(i) Retail Individual Investor Portion;
(ii) High Net worth Individual Portion;
(iii) Corporate Portion; followed by
(iv) QIB Portion.

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchanges.

(c) *Allotments in case of over-subscription in any Portion:*

In case of over-subscription, Allotments to the maximum extent possible, will be made on a first-come-first-serve basis and thereafter on a proportionate basis in each Portion, determined based on the date of upload of each Application into the electronic system of the Stock Exchanges, meaning full Allotment of Bonds to the Applicants on a first-come-first-serve basis up to the date falling one day prior to the date of over-subscription and proportionate Allotment of Bonds to the Applicants on the date of over-subscription.

(d) *Proportionate Allotments:*

For each Portion, on the date of over-subscription:

(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 Allotment of Bonds being higher than the Issue Size, not all Applicants will be allotted the number of Bonds arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.

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

All decisions pertaining to the basis of Allotment of Bonds pursuant to the Issue shall be taken by our Company in consultation with the Lead Managers, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus. Any other queries or issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers. For each Portion, all Applications uploaded into the electronic system of the Stock Exchanges on the same day would be treated at par with each other. Allotment in respect of Applications made on the same day would be on proportionate basis, where Bonds applied for exceeds Bonds to be allotted for each Portion respectively.

Additional/Multiple Applications

See "***Issue Procedure – Additional/Multiple Applications***" on page 169.

Form of Allotment and Denomination

The Allotment of Bonds and trading shall be in dematerialized form only. In terms of Regulation 4 (2)(d) of the SEBI Debt Regulations, our Company shall make the public issue of Bonds in dematerialized form. However, the investors can rematerialise the Bonds upon Allotment.

Our Company shall take necessary steps to credit the DP account of the Applicant with the number of Bonds

Allotted in dematerialized form. The Bondholders holding the Bonds in dematerialized form shall deal with the Bonds in accordance with the provisions of the Depositories Act and the Companies Act, as the case may be, and rules and regulations notified thereunder, from time to time.

In case of rematerialization of the Bonds, a Consolidated Certificate may be issued. In respect of Consolidated Certificates, our Company shall, on receipt of request from the Bondholder, split the Consolidated Certificate held by such Bondholder into smaller denominations subject to the minimum of the Market Lot. A fee of ₹ 50/- or such higher fees as may be prescribed by the Companies Act 2013 and the rules thereunder shall be charged for splitting of such Consolidated Certificates, but stamp duty payable, if any, would be borne by the Bondholder. The request for splitting should be accompanied by the original Consolidated Certificate which will, on issuance of the split Bond Certificates, be treated as cancelled by us.

PAYMENT OF REFUNDS

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch Refund Orders/issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of Bonds. The Registrar to the Issue will obtain from the Depositories the Applicants' bank account details, including the Magnetic Ink Character Recognition ("**MICR**") code, on the basis of the DP ID and Client ID provided by the Applicants in their Application Forms, for making Refunds. For Applicants who receive refunds through ECS, direct credit, Real Time Gross Settlement ("**RTGS**") or National Electronic Fund Transfer (**"NEFT"**), the Refund instructions will be issued to the clearing system within 12 Working Days of the Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving Refunds through these modes. Such communication will be mailed to the addresses (in India) of Applicants, as per the demographic details of an Applicant, such as his/her address, bank account details, occupation and PAN ("**Demographic Details**") received from the Depositories. The Demographic Details would be used for mailing of the physical refund orders, as applicable.

Applicants are advised to immediately update their bank account details as appearing on the records of their DP. Failure to do so may result in delay in credit of Refund to the Applicants at their sole risk and neither the Lead Managers nor our Company shall have any responsibility or undertake any liability for such delay on part of the Applicants.

Mode of refunds for Applicants other than ASBA Applicants

Payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the modes specified in "***Terms of the Issue- Manner and Modes of Payment***" on page 152.

Mode of Refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar to the Issue will instruct the SCSBs to unblock funds in the respective ASBA Accounts for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

PAYMENT OF INTEREST ON THE BONDS

For Bonds Allotted to Applicants falling under Category I, Category II and Category III, the Bonds under Series 1A, Series 2A and Series 3A shall carry interest at the fixed coupon rate of 7.11% *per annum*, 7.28% *per annum* and 7.37% *per annum*, respectively, irrespective of the category of Applicants, payable from and including, Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable annually on the Coupon/Interest Payment Date, to the Bondholders as of the relevant Record Date. Depending on the option selected by the Applicant, the effective yield to Category I, II and III Bondholders would be 7.11% *per annum*, 7.28% *per annum* and 7.37% *per annum* for Bonds under Series 1A, Series 2A and Series 3A, respectively.

For Bondholders falling under Category IV, the Bonds under Series 1B, Series 2B and Series 3B shall carry interest at the coupon rate of 7.36% *per annum*, 7.53% *per annum* and 7.62% *per annum*, respectively, payable from and including, Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable on the Coupon/Interest Payment Date, to the Bondholders as of the relevant Record Date. Depending on the option selected by the Applicant, the effective yield to Category IV Bondholders would be 7.36% *per annum*, 7.53% *per annum* and 7.62% *per annum* for Bond Series 1B, Series 2B and Series 3B, respectively.

Pursuant to the CBDT Notification and for avoidance of doubt, it is clarified as under:

Our Company shall allot Series 1A / Series 1B (depending upon the category of Applicants) for all valid applications, wherein the Applicants have not indicated their choice of the relevant Series of Bonds.

a. *The coupon rates indicated under Series 1B, Series 2B and Series 3B shall be payable only on the Retail Individual Investor Portion in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under the Retail Individual Investor Category/Category IV;*

b. *If the Bonds allotted against Series 1B, Series 2B and Series 3B are transferred by Retail Individual Investors to Non- Retail Individual Investors, being Category I, Category II and Category III investors, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Series 1A, Series 2A and Series 3A respectively;*

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

d. *If on any Record Date, the original Retail Individual Investor Allotee(s)/transferee(s) hold the Bonds under Series 1A, Series 1B, Series 2A, Series 2B, Series 3A and Series 3B for an aggregate face value amount of over ₹ 10 lakh, then the coupon rate applicable to such Retail Individual Investor Allottee(s)/transferee(s) on Bonds under Series 1B, Series 2B, Series 3B shall stand at par with coupon rate applicable on Series 1A, Series 2A, and Series 3A, respectively;*

e. *Bonds Allotted under Series 1A, Series 2A and Series 3A shall carry coupon rates indicated above until the maturity of the respective Series of Bonds irrespective of category of holder(s) of such Bonds; and*

f. *For the purpose of classification and verification of status of the eligibility of a Bondholder under the Retail Individual Investor category, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds Allotted under the Issue shall aggregated on the basis of PAN.*

The first Coupon/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.

Interest on Application and Refund Money

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

Interest on Application Amounts against which Bonds are Allotted to Applicants will be paid at the rate of 7.36% *per annum*, 7.53% *per annum* and 7.62% *per annum* on Series 1B, Series 2B and Series 3B, respectively, and at the rate of 7.11% *per annum*, 7.28% *per annum* and 7.37% *per annum* on Series 1A, Series 2A and Series 3A, respectively, subject to deduction of income tax under the Income Tax Act, from the date of realization of Application Amount through cheque(s)/demand draft(s) up to one day prior to the Deemed Date of Allotment. In the event that the 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 from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges up to one day prior to the Deemed Date of Allotment, at the aforementioned rate. 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, the interest warrant will be dispatched along with the Allotment Advice 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 deducted on such payments.

However, our Company shall not be liable to pay any interest on Application Amounts in case of (a) ASBA Applications and (b) monies paid in excess of the amount of Bonds applied for in the Application Form.

Interest on Application Amounts received, which are liable to be Refunded

Interest on Application Amounts which are liable to be refunded to Applicants will be paid at the rate of 5% *per annum*, subject to deduction of income tax under the Income Tax Act, from the date of realization of Application Amount through cheque(s)/demand draft(s) up to one day prior to the Deemed Date of Allotment. In the event that the 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 from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges up to 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 Refund Orders 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 deducted on such payments.

However, our Company shall not be liable to pay any interest on Application Amounts liable to be refunded in case of (a) ASBA Applications; (b) invalid Applications or Applications liable to be rejected; (c) Applications that are withdrawn by the Applicants; and (d) monies paid in excess of the amount of Bonds applied for in the Application Form.

See "***Issue Procedure - Rejection of Application***" on page 175.

REDEMPTION

Our Company will redeem the Bonds on the Maturity Date.

Bonds held in electronic form:

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

Bonds held in physical form:

No action will ordinarily be required on the part of the Bondholder at the time of redemption, and the Maturity Amount will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by our Company on the Record Date fixed for the purpose of redemption. However, our Company may require the Bond Certificate(s)/Consolidated Certificates, duly discharged by the sole holder or all the joint-holders (signed on the reverse of the Bond Certificate(s)/Consolidated Bond Certificate(s)) to be surrendered for redemption on the Maturity Date and sent by the Bondholders by registered post with acknowledgment due or by hand delivery to the Registrar to the Issue or our Company or to such persons at such addresses as may be notified by our Company from time to time. Bondholders may be requested to surrender the Bond Certificate(s)/Consolidated Certificate(s) in the manner stated above, not more than 3 (three) months and not less than one month prior to the Maturity Date so as to facilitate timely payment.

CALCULATION OF INTEREST ON THE BONDS

Day Count Convention

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

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

Effect of holidays on payments

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

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

Face value per Bond (In ₹)	1,000
Deemed Date of Allotment (assumed)	Monday, October 5, 2015
Frequency of Interest payment	Annual
Interest payment date	First Coupon/Interest Payment Date on October 5, 2016, and subsequently on October 5 of every year until the Maturity Date/Redemption Date of the Series of Bonds
Day count convention	Actual / Actual

Series IA	
Coupon Rate	**7.11%**
Tenor (no. of years)	**10**
Number of Bonds held (assumed)	**100**
Redemption Date/Maturity Date	**Saturday, October 04, 2025**

Cash Flows	**Payout Dates**	**No. of days in Coupon Period**	**Amount (In ₹)**
1st Coupon/Interest Payment Date	Wednesday, October 05, 2016	366	7,110.00
2nd Coupon/Interest Payment Date	Thursday, October 05, 2017	365	7,110.00
3rd Coupon/Interest Payment Date	Friday, October 05, 2018	365	7,110.00
4th Coupon/Interest Payment Date	Saturday, October 05, 2019	365	7,110.00
5th Coupon/Interest Payment Date	Monday, October 05, 2020	366	7,110.00
6th Coupon/Interest Payment Date	Tuesday, October 05, 2021	365	7,110.00
7th Coupon/Interest Payment Date	Wednesday, October 05, 2022	365	7,110.00
8th Coupon/Interest Payment Date	Thursday, October 05, 2023	365	7,110.00
9th Coupon/Interest Payment Date	Saturday, October 05, 2024	366	7,110.00
10th Coupon/Interest Payment Date	Saturday, October 04, 2025	364	7,091.00
Redemption of Principal	Saturday, October 04, 2025		**100,000.00**
Total Cash Flows			**171,081.00**

Series IB	
Coupon Rate	**7.36%**
Tenor (no. of years)	**10**
Number of Bonds held (assumed)	**100**
Redemption Date/Maturity Date	**Saturday, October 04, 2025**

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (In ₹)
1st Coupon/Interest Payment Date	Wednesday, October 05, 2016	366	7,360.00
2nd Coupon/Interest Payment Date	Thursday, October 05, 2017	365	7,360.00
3rd Coupon/Interest Payment Date	Friday, October 05, 2018	365	7,360.00
4th Coupon/Interest Payment Date	Saturday, October 05, 2019	365	7,360.00
5th Coupon/Interest Payment Date	Monday, October 05, 2020	366	7,360.00
6th Coupon/Interest Payment Date	Tuesday, October 05, 2021	365	7,360.00
7th Coupon/Interest Payment Date	Wednesday, October 05, 2022	365	7,360.00
8th Coupon/Interest Payment Date	Thursday, October 05, 2023	365	7,360.00
9th Coupon/Interest Payment Date	Saturday, October 05, 2024	366	7,360.00
10th Coupon/Interest Payment Date	Saturday, October 04, 2025	364	7,340.00
Redemption of Principal	Saturday, October 04, 2025		**100,000.00**
Total Cash Flows			**173,580.00**

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 5, 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 Coupon/Interest Payment Date .
2. Fiscal 2016, Fiscal 2020 and Fiscal 2024 being leap years, interest payable on 1st, 5th and 9th Coupon/Interest Payment Dates has been calculated for 366 days as provided in "- Day Count Convention" on page 150 of the Prospectus
3. The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.

Manner and Modes of Payment

For Bonds held in electronic form:

No action is required on the part of Bondholders on the Maturity Date. Payment on the Bonds will be made to those Bondholders whose name appears first in the register of beneficial owners maintained by the Depository, on the Record Date. **Our Company's liability to Bondholders for payment or otherwise will stand extinguished from the Maturity Date or on dispatch of the amounts payable by way of principal and/or interest to the Bondholders. Further, our Company will not be liable to pay any interest, income or compensation of any kind accruing subsequent to the Maturity Date.**

The Bondholders' respective bank account details will be obtained from the Depository for payments. **Applicants are therefore advised to immediately update their bank account details as appearing on the records of their DP. Failure to do so could result in delays in credit of payments to applicants at their sole risk, and neither our Company, the members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.**

For Bonds held in physical form

The bank details will be obtained from the Registrar to the Issue for effecting payments.