

# RURAL ELECTRIFICATION CORPORATION LIMITED

(A Government of India Undertaking)
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# INFORMATION MEMORANDUM

PRIVATE PLACEMENT OF NON-CONVERTIBLE, NON-CUMULATIVE, SECURED, RATED, UNLISTED, REDEEMABLE TAXABLE BONDS IN THE NATURE OF DEBENTURES OF RS. 10,000/-EACH FOR CASH AT PAR ON "ON TAP" BASIS WITH BENEFITS UNDER SECTION 54EC OF THE INCOME TAX ACT, 1961, SERIES XI ("BONDS"), AGGREGATING TO RS. 1,000 CRORE PLUS GREEN SHOE OPTION TO RETAIN OVERSUBSCRIPTION.

TRUSTEE FOR THE BONDHOLDERS	REGISTRAR TO THE ISSUE
SBICAP Trustee Company Ltd.	Karvy Computershare Pvt. Ltd.
Registered Office 202, Maker Tower 'E', Cuffe Parade, Mumbai- 400005	Corporate office Karvy Selenium, Tower B,Plot number 31 & 32, Financial District Gachibowli - Hyderabad 500 032

List of Mobilizers to the issue: visit at http://www.recindia.com/download/List Mobilisors.pdf

#### **BANKERS TO THE ISSUE**

HDFC BANK	CANARA BANK
IDBI BANK	INDUSIND BANK
YES BANK	ICICI BANK
AXIS BANK	

For list of branches of the Bankers to the issue:

http://www.recindia.com/download/Collect Bank Branch.pdf

# **TABLE OF CONTENTS**

DISCLAIMER	1
DEFINITIONS/ ABBREVIATIONS	2
ISSUE HIGHLIGHTS	
NAME AND ADDRESS OF REGISTERED/ HEAD OFFICE OF THE ISSUER	4
OUR MANAGEMENT	5
MANAGEMENT PERCEPTION OF RISK FACTORS	8
DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.	10
BRIEF SUMMARY OF BUSINESS/ ACTIVITIES OF ISSUER AND ITS LINE OF BUSINESS	16
BRIEF CORPORATE HISTORY OF OUR COMPANY, CHANGES IN THE REGISTERED AND CORPORATE OFFICE, MAJOR EVENTS, MILESTONES, AND SUBSIDIARIES	
CAPITAL STRUCTURE	31
SUMMARY TERM SHEET FOR CAPITAL GAIN TAX EXEMPTION BOND SERIES XI	68
TERMS OF OFFER	70
SERVICING BEHAVIOR ON EXISTING DEBT SECURITIES AND OTHER BORROWINGS	80
MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE	
PERMISSION / CONSENT FROM PRIOR CREDITORS	82
MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER	83
DECLARATION	84
. ANNEXURES	85
	DEFINITIONS/ ABBREVIATIONS

List of Address of REC's Zonal and Project Offices

Financial Information

Consent of Trustee

**Credit Rating Letter** 

Application Form

Board and Shareholder Resolutions



#### DISCLAIMER

This information memorandum dated 31 March 2017 ("Information Memorandum") is neither a Prospectus nor a statement in lieu of Prospectus. It does not and shall not deem to constitute an offer or an invitation to the Public to subscribe to the Bonds issued by Rural Electrification Corporation Limited ("REC" or "Company" or "Issuer"). This Information Memorandum is not intended for distribution and is for the consideration of the person to whom it is addressed and should not be reproduced/redistributed by the recipient. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same entity shall be deemed to be offered to the same person. The bonds mentioned herein are being issued strictly on a private placement basis and this offer does not and shall not deem to constitute a public offer/invitation.

This Information Memorandum is not intended to form the basis of evaluation for the potential investors to whom it is addressed and who are willing and eligible to subscribe to these Bonds issued by REC. This Information Memorandum has been prepared to give general information regarding REC to parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. REC believes that the information provided in this Information Memorandum as of the date hereof is true and correct in all respects. REC and the Mobilizers do not undertake to update this Information Memorandum to reflect subsequent events and thus, it should not be relied upon without first confirming its accuracy with REC.

Potential investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risks of investing in the Bonds. It is the responsibility of potential investors to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Bonds. It is the responsibility of the potential investors to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Potential investors should conduct their own investigation, due diligence and analysis before applying for the Bonds. Potential investors should neither rely solely on information provided in the Information Memorandum or by the Mobilizers, nor should providing of such information by the Mobilizers be construed as advice or recommendation by the Issuer or by the Mobilizers to subscribe to and purchase the Bonds. Potential investors also acknowledge that the Mobilizers do not owe them any duty of care in respect of their offer to-subscribe for and purchase of the Bonds. Potential investors should also consult their own tax advisors on the tax implications of the acquisitions, ownership and redemption of Bonds and income arising thereon. REC reserves the right to withdraw the Private Placement prior to the closing date at its discretion. In such an event, the Issuer may, at its sole discretion, will make the allotment under the new series of REC 54EC bonds, if open for subscription at that time.

This Information Memorandum is issued by REC and is signed by its authorized signatory.

`(Daljeet Singh Khatri)

Additional General Manager (Finance)
Rural Electrification Corporation Limited

Place: New Delhi Date: March 31, 2017



# II. DEFINITIONS/ABBREVIATIONS

# **Issuer Related Terms**

issuer Relateu Terilis	
The Corporation/REC/ Issuer/Company	Rural Electrification Corporation Limited, incorporated on July 25, 1969 under the Companies Act, 1956
Issue/Offer/Private Placement	Private Placement of Non-Convertible, Non-Cumulative, Secured, Rated, Unlisted, Redeemable, Taxable, Bonds in the nature of debentures of Rs. 10,000/- each for cash at par on "on tap" basis with benefits under Section 54EC of the Income Tax Act, 1961 aggregating to Rs. 1,000 Crore plus a green shoe option to retain oversubscription.
The Act/Companies Act	The Companies Act, 2013 (to the extent notified and in force) and the Companies Act, 1956 (to the extent in force and applicable) and in each case, any modifications, clarifications, re-enactments or amendments thereto from time to time.
The Bond(s)	Non-Convertible, Non-Cumulative, Secured, Rated, Unlisted, Redeemable, Taxable Bonds in the nature of the debentures of Rs. 10,000/- each for cash at par on "on tap" basis with benefits under Section 54EC of the Income Tax Act, 1961 aggregating to Rs. 1,000 Crore plus a green shoe option to retain oversubscription
Bondholder	The holder of the Bonds
DP/Depository Participant	Depository Participant as defined under the Depositories Act, 1996
Registered Bondholder	Bondholder whose name appears in the register of Bondholders maintained by the Corporation or its Registrar (in case of investors opting for physical certificates) and beneficial owners (in case of investors opting for demat option).
Registrar	M/s Karvy Computershare (P) Ltd., have been appointed by REC as Registrar and Transfer Agent (R&TA) to monitor the applications while the Private Placement is open and co-ordinate the post Private Placement activities of allotment, change in details etc.  Contact Address:  CORPORATE OFFICE  "Karvy Selenium Tower B", Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad 500 032, Telangana  Nodal Officer - Name: Mr. Praveen Chaturvedi Email: praveen.chaturvedi@karvy.com Tel.: +91 40 6716 1751, Fax.: +91 40 2343 0814



#### III. ISSUE HIGHLIGHTS

Issue of Non-Convertible, Non-Cumulative, Secured, Rated, Unlisted, Redeemable, Taxable Bonds in the nature of Debenture of Rs. 10,000/- each for cash at par with Benefits U/S 54EC of the Income Tax Act, 1961, on Private Placement-Series XI – On Tap Basis.

ISSUE	REC Capital Gains Tax Exemption Bonds Series-XI	
CREDIT RATING	'CARE AAA' by Credit Analysis and Research Ltd.	
	'CRISIL AAA' by CRISIL Limited.	
	'IND AAA' by India Ratings & Research Private Ltd.	
	'ICRA AAA' by ICRA Limited.	
ISSUE SIZE	Rs. 1000 Crore plus green shoe option to retain the oversubscription	
FACE VALUE	Rs. 10,000/- per bond	
ISSUE PRICE	Rs. 10,000/- per bond	
COUPON RATE	5.25% annually	
ISSUE DATE	Issue Opening Date: April 1, 2017, Issue Closing Date: March 31,	
	2018 (at the close of the banking hours) or at a date as may be	
	decided by REC in its absolute discretion.	
MINIMUM APPLICATION SIZE	Two Bonds of Rs. 10,000/- each. (i.e. Minimum Rs. 20,000)	
MAXIMUM APPLICATION SIZE	500 Bonds of Rs. 10,000/- each in a financial year	
	(Subject to provisions of Section 54EC of Income Tax Act, 1961)	
MODE OF SUBSCRIPTION	Private Placement	
CHEQUE / DRAFT TO BE	'Rural Electrification Corporation Limited - 54EC Bonds'	
DRAWN IN THE NAME OF		
DEEMED DATE OF	Last day of each month in which the subscription money is received	
ALLOTMENT	and credited to REC 54EC collection account	
INTEREST PAYMENT & DATE	Annually on June 30 of each year	
TENOR	36 months	
REDEMPTION / MATURITY	At par, at the end of 36 months from the Deemed Date of Allotment	
TRANSFERABILITY	Non-transferable, Non-negotiable and cannot be offered as a security	
	for any loan or advance.	
TRUSTEE	SBICAP Trustee Company Ltd., Mumbai	
BANKERS TO ISSUE	HDFC Bank, Canara Bank, IDBI Bank, Indusind Bank, Yes Bank, ICICI	
	Bank, Axis Bank (For Designated Branches please visit our website:	
	www.recindia.com)	

#### Note:

- 1. REC reserves the right to revise the coupon rate and/or close the issue by giving notice on its website. The investors are advised to consult REC/Mobilisers, before depositing the application with bank.
- 2. All applications submitted but rejected by REC would be returned by REC to the applicant/collection banker, without any Interest.
- 3. Application for minimum Rs.20,000/- (in multiples of Rs 10,000/- thereafter) will be accepted, any amount received in fraction will be refunded to the investor without interest.



# IV. NAME AND ADDRESS OF REGISTERED / HEAD OFFICE OF THE ISSUER

Name of the Issuer	:	Rural Electrification Corporation Ltd.
Registered/Head Office/ Corporate Office	:	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003
Telephone Number	:	+91 11 2436 1320/ 4309 1527
Fax Number	:	+91 11 2436 8553
Website	:	www.recindia.com
E-mail	:	investorcell@recl.in
Statutory Auditors	:	1. M/s Raj Har Gopal & Co.,412, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi – 110001 Tel: +91 11 4152 0698/99. Date of Appointment: 12.07.2016
		2. M/s. A R & Co. A 403, Gayatri Apartments, Airlines Group Housing Society, Plot No.27, Sector 10, Dwarka, New Delhi- 110075 Tel: +91 120 6451160 Date of Appointment: 12.07.2016



#### V. OUR MANAGEMENT

Under our Articles of Association, we are required to have not less than three directors and not more than fifteen directors. We currently have eight (8) directors out of which three (3) are Whole Time Official Directors including the Chairman and Managing Director and one (1) is Government Nominee Director and four (4) are Part time Non Official Independent Directors including one Woman Director.

#### **Our Board**

The following table sets forth details regarding our Board as on the date of this Information Memorandum.

Name, Father's Name, Designation,	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
Occupation, DIN, Age and Nationality	Auuress	Company Since		Resignation
Dr. P.V. Ramesh S/o Shri Penumaka Subba Rao Chairman and Managing Director Occupation: Service (IAS) DIN: 02836069 Age: 57 years Nationality: Indian	House No. 46, Alluri Meadows, White Fields, Kondapur, Hyderabad- 500084	January 5, 2017	REC Transmission     Projects Company     Limited     REC Power     Distribution     Company Limited	MoP Order No. 46/8/2011-RE dated February 16, 2017
Shri Ajeet Kumar Agarwal  S/o Late Shri Shree Gopal Agarwal  Director (Finance)  Occupation: Service DIN: 02231613 Age: 56 years Nationality: Indian	C-601, Plot GH-7, Shiksha Niketan Apartment, Sector 5, Vasundhara, Ghaziabad, 201012, Uttar Pradesh, India	August 1, 2012	<ul> <li>REC Transmission         Projects Company             Limited     </li> <li>Indian Energy         Exchange Limited     </li> </ul>	MoP Order No. 46/9/2011-RE dated May 17, 2012
Shri Sanjeev Kumar Gupta  S/o Shri Bhukan Saran Gupta  Director (Technical)  Occupation: Service DIN: 03464342 Age: 55 years Nationality: Indian	16-C, Nilgiri-1 Apartment, Sector 34, Noida 201307, Uttar Pradesh, India	October 16, 2015	REC Power Distribution Company Limited     REC Transmission Projects Company Limited	MoP Order No. 46/14/2014-RE dated October 16, 2015
Dr. Arun Kumar Verma  S/o Late Shri Siya Kant Prasad  Government Nominee Director  Occupation: Service DIN: 02190047	E-203, Central Government Residential Complex, Deen Dayal Upadhyay Marg, New Delhi – 110002, India	October 6, 2015	Power Finance Corporation Limited	MoP Order No. 46/8/2015-RE dated October 6, 2015



Name, Father's Name, Designation, Occupation, DIN, Age and Nationality	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
Age: 57 years Nationality: Indian				
Shri Arun Singh  S/o Shri Vijay Narain Singh  Part time Non Official (Independent) Director	A-57, Parwana Apartments, Mayur Vihar, New Delhi – 110091, India	November 13, 2015	None	MoP Order No. 46/2/2010-RE- Vol.II (Part-IV) dated November 13, 2015
Occupation: Chartered Accountant DIN: 00891728 Age: 51 years Nationality: Indian				
Shri Aravamudan Krishna Kumar	Flat No. 1001, Block C, Fortune	November 13, 2015	<ul><li>Andhra Bank</li><li>Suraksha Asset</li></ul>	MoP Order No. 46/2/2010-RE-
S/o Shri K. Aravamudan Part time Non Official	Towers, Madhapar, Hyderabad – 500081, India	2013	Suraksna Asset     Reconstruction     Private Limited     Sathguru Catalyst     Advisors Private	Vol.II (Part-IV) dated November 13, 2015
(Independent) Director	300001, muia		Limited  • Central Depository	
Occupation: Retired Banker DIN: 00871792			Services (India) Limited	
Age: 62 years			• TVS Wealth Private Limited	
Nationality: Indian  Prof. Tiruvallur Thattai	House No. 306,	November 12		MoP Order No.
Rammohan  S/o Shri T.T.  Vijayaraghavan  Part time Non Official	Indian Institute of Management, Vastrapur, Ahmedabad – 380015, India	November 13, 2015	• SBICAP Securities Limited • IndusInd Bank Limited	46/2/2010-RE- Vol.II (Part-IV) dated November 13, 2015
(Independent) Director				
Occupation: Professor DIN:00008651 Age: 61 years Nationality: Indian				
Smt. Asha Swarup	"UDAY", Lower Ramnagar, Near	February 8, 2017	-None-	MoP Order No. 46/2/2010-RE-
W/o Shri Dev Swarup	Dr. Mahajan's Clinic,			Vol.II (Part-IV) dated February 8,
Part time Non Official (Independent) Director	Dharamsala, District Kangra, Himachal Pradesh –			2017
Occupation: Retired IAS Officer DIN: 00090902	176215 India			
Age: 66 years Nationality: Indian				
			defaulter list and/or FCC	

None of the current Directors of the Issuer appear in the RBI's defaulter list and/or ECGC default list.



#### **Relationship with other Directors**

None of the Directors of the Company are, in any way, related to each other.

#### **Corporate Governance**

Our Company has been complying with the requirements of Corporate Governance as prescribed under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. As on date, the composition of the Board of Directors is three (3) Whole time Official Directors including the Chairman and Managing director, four (4) Part-time Non-official (Independent) Directors including one (1) woman director and one (1) Government Nominee Director. As such, the Company is in compliance with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 relating to composition of the Board.

#### **Borrowing powers of our Board**

Pursuant to a resolution passed by our shareholders through Postal Ballot on June 10, 2014 and in accordance with the provisions of the Section 180 (1)(c) of Companies Act, 2013, our Board has been authorised to borrow such sums of money, not exceeding Rs. 2,00,000 crores in Indian Rupees and in any foreign currency equivalent to USD 6 billion, for the purposes of the business of our Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by our Company (apart from temporary loans obtained from our Company's bankers, in the ordinary course of the business) would exceed the aggregate of our paid-up capital and free reserves.



#### VI. MANAGEMENT PERCEPTION OF RISK FACTOR

The Investor should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below before making an investment in the Bonds. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, prospects, results of operations and financial condition.

#### RISK RELATING TO BUSINESS OR INDUSTRY

- 1. Our business depends upon policies and support provided by GoI. We are also regulated by other laws i.e. Companies Act, guidelines by RBI, SEBI, stock exchanges and other applicable laws. GoI may withdraw its support, tax incentives etc. and can come up with the policies/regulations/laws which may be inconsistent with our business objectives. Any such adverse change in policies of the GoI may affect our business. Also, as a majority stake holder and Promoter, GoI could require us to take actions designed to serve the public interest in India and not necessarily to maximize our profits.
- 2. Our competitive efficiency depends on our capacity to maintain low cost of funds. Any increase in cost of funds will adversely affect our business. Adverse change in exchange rates on account of our foreign currency borrowings and volatility of interest rates both in International and Domestic Debt Markets may lead to increase in the cost of funds.
- 3. Any negative trends or financial difficulties, particularly among the borrowers and borrower groups to whom we have the greatest exposure, including State Electricity Boards (SEBs) and State Power Utilities (SPUs), could increase the level of NPAs in our portfolio and that may make us unable to service our outstanding indebtedness. SEBs which were our borrowers and have been restructured may not have transferred their liabilities related with loans to new entity, which may affect our ability to enforce the applicable provisions of the original agreement.
- 4. We may face potential liquidity risks due to varying periods over which our assets and liabilities mature.
- 5. We are involved in large number of litigations and any adverse decision in these cases may affect our financial conditions.
- 6. We may not have obtained sufficient security and collateral from our borrowers, or we may not be able to recover or enforce, or there may be a delay in recovering or enforcing, the expected value from any security and collateral which could have a material adverse effect on our business, financial condition and results of operations.
- 7. The escrow account mechanism for the payment obligations of our state sector borrowers may not be effective, which may reduce our recourse in the event of defaulted loans and could have a material adverse effect on our business, financial condition and results of operations.
- 8. We have granted loans to the private sector on a non-recourse or limited recourse basis, which may increase the risk of non-recovery and could expose us to significant losses.
- 9. Our Directors may have interests in companies/entities similar to ours, which may result in a conflict of interest that may adversely affect future financing opportunity referrals and there can be no assurance that these or other conflicts of interest will be resolved in an impartial manner. We have entered and may enter into certain transactions with related parties, which may not be on an arm's length basis or may lead to conflicts of interest.
- 10. We are subject to restrictive covenants, in the agreements entered into with certain banks and financial institutions for our borrowings, like to maintain credit ratings, financial ratios etc. Such



restrictive covenants may restrict our operations or ability to expand and may adversely affect our business. Further non-compliance by our borrowers to comply with terms and conditions like security and insurance etc. will affect our ability to recover the loan.

- 11. Power projects carry various project specific and general risk, which are beyond control of REC including non conversion of letter of assurance/ MoU by coal suppliers into binding fuel supply agreement, delays in development of captive coal mines, adverse changes in demand for, or the price of, power generated or distributed by the projects to which we lend, the willingness and ability of consumers to pay for the power produced by projects to which we lend, increased cost due to environmental changes etc. Any adverse change in such conditions may affect our business.
- 12. We have been granted certain exemption by various authorities like RBI etc. Withdrawal of such exemptions may affect our competitive strength.
- 13. We may not be in compliance with certain regulations like corporate governance etc. and the same may result in imposition of penalties on us.
- 14. With the computerization of the accounting, payroll, human resource systems and other areas of our Company, there is every possibility of cybercrimes and frauds related to hacking of internal systems, possibility of manual intervention which may lead to destruction of our data.

#### RISKS RELATING TO INVESTMENT IN THE BONDS

- 1. Our ability to pay interest and redemption depends on variety of factors including our financial conditions, Indian and global market conditions, event of bankruptcy, winding up and liquidation. We cannot assure you of payment of principal amount or interest in a timely manner or at all.
- 2. NBFCs are exempt from creation of a Debenture Redemption Reserve in case of Private Placement of Bonds and accordingly no Debenture Redemption Reserve is envisaged against the Bonds being issued under the terms of this Information Memorandum. In absence of Debenture Redemption Reserve investor may find it difficult to recover their money.

#### EXTERNAL RISK FACTOR

- 1. A slow- down in economic growth of India, shortages in the supply of crude oil, natural gas or coal, political instability, labour unrest, strikes, or changes in the government, international financial regulations, natural calamity, act of terrorism, war, riot etc. may affect our business. Any adverse change in such conditions may result in difficulties in obtaining funding on attractive terms.
- 2. Any adverse revisions to India's sovereign credit ratings for domestic and international debt by credit rating agencies may adversely impact the interest rates and other commercial terms at which such financing is available to us.
- 3. The Indian capital market is developing and maturing at good pace and the same may cause a shift in the pattern of power sector financing. In case our borrowers start directly accessing the market same may affect our business.



#### VII. DISCLOUSRES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

#### INTERESTS OF OUR DIRECTORS

Except as otherwise stated in "Financial Statements – Related Party Transactions" our Company has not entered into any contract, agreements and arrangement during the three financial years preceding the date of this Information Memorandum in which the directors are interested directly or indirectly and no payments have been made to them in respect of such contracts or agreements.

All our Directors, including our Independent Director, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them.

None of our Directors have any financial or other material interest in the offer of Bonds under this Information Memorandum.

## INTEREST OF KEY MANAGERIAL PERSONS (KMPs)/PROMOTERS IN THE OFFER

All KMPs, may be deemed to be interested to the extent of remuneration and reimbursement of expenses if any payable to them, as well as to the extent of shareholding held by them in the Company.

Promoter (i.e. President of India) may be deemed to be interested to the extent of shareholding held in the Company.

None of the key managerial personnel or Promoters of our Company have any financial or other material interest in the offer of Bonds under this Information Memorandum.

#### **LITIGATION**

Since the Government of India is the Promoter of the Company, it is not possible to give details of litigations, legal actions or directions pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of the Company during the last three years immediately preceding the year of the circulation of this Information Memorandum.

#### REMUNERATION OF DIRECTORS

#### **Chairman and Managing Director and Whole Time Directors**

The following table sets forth the details of remuneration paid to the Whole Time Directors during fiscal 2017 (up to December 31, 2016):

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia (₹)	Other Benefits (₹)	Total (₹)
Shri Rajeev Sharma, CMD (upto September 30, 2016)	38,70,292	9,00,111	47,70,403
Shri Bhagwati Prasad Pandey, CMD (w.e.f. October 1, 2016)	Nil*	Nil*	Nil*
Shri Ajeet Kumar Agarwal, Director (Finance)	38,03,761	4,70,986	42,74,747
Shri Sanjiv Kumar Gupta, Director (Technical)	37,34,595	2,16,185	39,50,780

<sup>\*</sup> Shri Bhagwati Prasad Pandey, IAS, was holding the charge of CMD, REC in addition to his existing duties of Special Secretary, to MoP



The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2016:

Name of the Director	Salary& Allowances, Performance linked Incentive/Ex-gratia (₹)	Other Benefits (₹)	Total (₹)
Shri Rajeev Sharma, CMD	47,77,084	10,48,630	58,25,714
Shri Ajeet Kumar Agarwal, Director (Finance)	42,46,990	2,60,905	45,07,895
Shri Prakash Thakkar, Director (Technical) upto 12.10.2015	47,07,475	11,61,156	58,68,631
Shri Sanjiv Kumar Gupta, Director (Technical) w.e.f 16.10.2015	20,00,858	2,20,612	22,21,470

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2015:

Name of the Director	Salary& Allowances, Performance linked Incentive/Ex-gratia (₹)	Other Benefits (₹)	Total (₹)
Shri Rajeev Sharma, CMD	54,96,408	10,64,892	65,61,300
Shri Ajeet Kumar Agarwal, Director (Finance)	40,55,935	7,32,450	47,88,385
Shri Prakash Thakkar, Director (Technical)	4746923	11,18,630	58,65,553

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2014:

Name of the Director	Salary& Allowances, Performance linked Incentive/Ex-gratia (₹)	Other Benefits (₹)	Total (₹)
Shri Rajeev Sharma, CMD	54,27,152	2,91,107	57,18,259
Shri Ajeet Kumar Agarwal, Director (Finance)	44,28,692	4,39,554	48,68,246
Shri Prakash Thakkar, Director (Technical)	48,16,081	1,98,140	50,14,221

#### **Remuneration of Part-time Non official Directors**

The Part- time Non official Independent Directors do not have any material pecuniary relationship or transaction with the Company. The sitting fee Part time Non-official Independent Directors for Board/Committee was approved by the Board of Directors in their meeting held on May 28, 2013.

S. No	Meetings	Sitting fees per Meeting (₹)
1	Board Meeting	20,000
2	Committee Meeting	20,000



Set forth below are the details of the sitting fees paid to Part-time Non-official Independent Directors during Fiscal 2016:

Sl.	Name of Part-time Non-official Independent Director	Sitting	Fees (₹)	Total (₹)
No.		Board Meeting	Committee Meeting	
1.	Shri Arun Singh	60,000	60,000	1,20,000
2.	Shri A. Krishna Kumar	80,000	1,40,000	2,20,000
3.	Prof. T.T. Ram Mohan	80,000	1,20,000	2,00,000
	Total			5,40,000

Set forth below are the details of the sitting fees paid to Part-time Non-official Independent Directors during Fiscal 2015

S. No	Name of the Part time Non official	Sitting	Total	
	Independent Directors	<b>Board Meeting</b>	Committee Meeting	(in ₹)
1	Dr. Devi Singh*	40,000	1,00,000	1,40,000
2	Shri Venkataraman Subramanian	40,000	60,000	1,00,000
3	Dr. Sunil Kumar Gupta	1,80,000	2,60,000	4,40,000

<sup>\*</sup> Dr. Devi Singh was additionally paid ₹10,000 by way of honorarium for attending meeting of Departmental Promotion Committee (DPC).

Set forth below are the details of the sitting fees paid to Part-time Non-official Independent Directors during Fiscal 2014

S.	Name of the Part time Non official	Sitt	Sitting fees (in ₹)		
No	Independent Directors	<b>Board Meeting</b>	Committee Meeting	(in ₹)	
1	Dr. Devi Singh	1,60,000	3,55,000	5,15,000	
2	ShriVenkataraman Subramanian	1,60,000	2,40,000	4,00,000	
3	Dr. Sunil Kumar Gupta	40,000	1	40,000	

#### **Relationship with other Directors**

None of the Directors of the Company are, in any way, related to each other.

#### **RELATED PARTY TRANSACTIONS**

Related party transactions entered up to the half year ended on September 30,2016 and during the last 3 financial years immediately preceding the year of circulation of this Information Memorandum including with regard to loans made or guarantees given or securities provided:

# Half year ended on September 30, 2016 and FY 2015-16, 2014-15 and FY 2013-14:

Details of amount due from/ to the related parties:

(₹ in Crores)

Particulars	As at 30.09.2016	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Long-term Debt				
REC Transmission Projects Company Limited	60.00	60.00	60.00	60.00
REC Power Distribution Company Limited	10.44	10.44	7.00	7.00
Key Managerial Personnel	0.10	0.10	0.17	0.08
Loans & Advances				
REC Transmission Projects Company Limited	0.23	0.22	2.04	3.32
REC Power Distribution Company Limited	0.78	0.73	-	0.31
Key Managerial Personnel	0.80	0.83	0.29	0.09





Other Current Liabilities				
REC Power Distribution Company Limited	1.03	5.37	2.27	2.57
REC Transmission Projects Company Limited	-	-	1.05	-

# Details of Transactions with the related parties:

(₹ in Crores)

				(₹ in Crores)
Particulars	For the half year ended 30.09.2016	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Long Term Debt - Amount Invested				
REC Transmission Projects Company Limited		-	-	25.00
REC Power Distribution Company Limited		3.44	-	7.00
Key Managerial Personnel		0.01	-	0.04
Loans & Advances				
Key Managerial Personnel	0.06	0.53	0.04	0.09
Sale of Fixed Assets				
REC Power Distribution Company Limited		0.01	-	0.05
Investment in Share Capital (including applied for)				
Energy Efficiency Services Limited		124.00	-	-
Disbursement from Subsidy/ Grant Received from Govt. of India				
REC Power Distribution Company Limited	2.87	6.90	-	-
REC Transmission Projects Company Limited	0.33	0.70		
Dividend from Subsidiaries	0.55			
REC Transmission Projects Company Limited	8.65	9.51	0.10	0.10
REC Power Distribution Company Limited	10.85	0.50	0.25	0.05
Interest Income - Loans & Advances				
REC Transmission Projects Company Limited	-	-	-	0.34
Key Managerial Personnel	0.02	0.04	0.06	0.01
Apportionment of Employee Benefit and Other Expenses				
REC Transmission Projects Company Limited	1.22	2.35	2.58	4.96
REC Power Distribution Company Limited	2.30	4.32	2.20	3.04
Finance Cost				
Interest Paid to REC Transmission Projects Company Limited	-	4.70	4.70	2.95
Interest Paid to REC Power Distribution Company Limited	-	0.64	0.54	0.10
Interest Paid to Key Managerial Personnel	-	0.01	0.01	-
<b>Employee Benefits Expense - Managerial Remuneration</b>	1.33	2.33	1.91	1.56
CSR Expenses				
REC Power Distribution Company Limited	7.71	91.77	19.04	0.17
Energy Efficiency Services Limited	0.86	0.28	1.59	3.98
Other Expenses				
REC Power Distribution Company Limited	13.26	2.22	7.31	6.30



DETAILS OF ANY INSPECTIONS/INVESTIGATION/INQUIRY CONDUCTED UNDER COMPANIES ACT, 2013 AND PREVIOUS COMPANY LAW DURING THE LAST THREE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES

NIL

FRAUDS COMMITTED AGAINST COMPANY

NIL

DETAILS OF ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE COMPANIES ACT, 2013 OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF INFORMATION MEMORANDUM FOR PRIVATE PLACEMENT AGAINST THE COMPANY OR ITS SUBSIDIARIES

There has been no inquiry, inspection or investigation initiated or conducted against the Company or its subsidiaries under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Information Memorandum for Private Placement. Further there was no prosecution filed or pending, fines imposed, compounding of offences against the Company or its any of its subsidiaries in the last three years immediately preceding the year of circulation of Information Memorandum for Private Placement.

DETAILS OF DEFAULT(S) AND/OR DELAY(S) IN PAYMENTS OF ANY KIND OF STATUTORY DUES, DEBENTURES/ BONDS/ DEBT SECURITIES AND INTEREST THEREON, DEPOSITS AND INTEREST THEREON, LOANS FROM ANY BANK OR FINANCIAL INSTITUTION AND INTEREST THEREON AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE COMPANY

The Issuer has not defaulted or made delay in payment of any kind of statutory dues to the Government of India, State Government(s), statutory/regulatory bodies, authorities, departments etc., since inception.

The main constituents of the Issuer's borrowings are generally in form of debentures/ bonds/ debt securities, commercial paper, medium term notes ("MTNs"), external commercial borrowings ("ECBs"), loans from banks and financial institutions, assistance from multilateral and bilateral financing agencies etc. In respect of such borrowings, the Issuer certifies that:

- it has serviced all the principal and interest liabilities on all its borrowings on time and there has been no instance of delay or default since inception; and
- it has not affected any kind of roll over or restructuring against any of its borrowings in the past.

The Issuer has not defaulted on any of its payment obligations arising out of any corporate guarantee issued by it to any counterparty including its subsidiaries, joint venture entities, group companies etc. in the past.

DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE COMPANY IN THE LAST THREE YEARS, IF ANY, AND IF SO, THE ACTION TAKEN BY THE COMPANY

There has been no act of material fraud committed against the Company in the last three years immediately preceding the year of circulation of Information Memorandum for Private Placement.

OUTSTANDING BORROWINGS/ DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, AT A PREMIUM OR DISCOUNT, OR IN PURSUANCE OF AN OPTION

Other than and to the extent mentioned elsewhere in the Information Memorandum for Private Placement, the Issuer has not issued any debt securities or agreed to issue any debt securities or availed



any borrowings for a consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

# **AUDITORS' QUALIFICATIONS**

Details with respect to qualifications, reservations and adverse remarks of the auditors of the Company in the last five financial years immediately preceding the year of circulation of Information Memorandum for Private Placement and their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said qualifications, reservations and adverse remarks are given as under:

Financial Year	Auditors' qualifications, reservations and adverse remarks
Half year ended 30 September, 2016	Nil
2015-16	Nil
2014-15	Nil
2013-14	Nil
2012-13	Nil
2011-12	Nil

PROFITS OF THE COMPANY, BEFORE AND AFTER MAKING PROVISION FOR TAX, FOR THE THREE FINANCIAL YEARS IMMEDIATELY PRECEEDING THE DATE OF CIRCULATION OF THIS INFORMATION MEMORANDUM

Please refer Annexure B.

DIVIDENDS DECLARED BY THE COMPANY IN RESPECT OF THE SAID THREE FINANCIAL YEARS; INTEREST COVERAGE RATIO FOR THE LAST THREE YEARS (CASH PROFIT AFTER TAX PLUS INTEREST PAID / INTEREST PAID)

Please refer Annexure B.

ANY CHANGE IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEOR EFFECT ON THE PROFITS AND THE RESERVES OF THE COMPANY

Please refer Annexure B.



## VIII. BRIEF SUMMARY OF BUSINESS / ACTIVITIES OF ISSUER AND ITS LINE OF BUSINESS

#### **SUMMARY OF BUSINESS**

We are a public financial institution in the Indian power infrastructure sector. We are engaged in the financing and promotion of transmission, distribution and generation including renewable energy projects throughout India. We believe our organization occupies a key position in the GoI's plans for the growth of the Indian power sector.

We assist our clients in formulating and implementing a broad array of power projects and finance those projects. Our clients primarily include both Indian public sector power utilities at the central and state levels and private sector power utilities. We service our clients through a network of project offices spread across India and one national level training centre at Hyderabad. Our project offices play an integral role in the development of our relationships with our clients, the operation and promotion of our business and in our loan appraisal, loan sanction and post-sanction monitoring processes. Our primary financial product is project-based long-term loans. We fund our business with market borrowings of various maturities, including bonds and term loans. Because our sources enable us to raise funds at competitive costs, we are able to price our financial products competitively.

We commenced our operations in 1969 for the purpose of developing the power infrastructure in rural areas. We have contributed to the development of rural India and India's agriculture through our funding of transmission and distribution projects in rural areas. Our mandate has evolved in accordance with the development priorities of the GoI and, since Fiscal 2003, permits us to finance all segments of the power sector, including generation, transmission and distribution, throughout the country. Our mandate was further extended to include financing other activities with linkages to power projects, such as coal and other mining activities, fuel supply arrangements for the power sector and other power-related infrastructure. In June 2011, we set up a separate division for funding renewable projects in order to further achieve the goal of conserving fossil fuels and reducing our carbon foot prints.

REC is one of only 17 Indian public sector undertakings to be granted "Navratna" status by the Department of Public Enterprise by virtue of our operational efficiency and financial strength. The GoI has rated our performance as "Excellent" continuously since Fiscal 1994. We have also been ranked among the top ten public sector undertakings in India by the Ministry of Heavy Industries and Public Enterprises for Fiscal 2000, Fiscal 2001, Fiscal 2002, Fiscal 2004 and Fiscal 2005. Domestically, we hold the highest credit rating for long-term borrowing domestic credit rating from each of CRISIL, ICRA, India Ratings & Research and CARE. On an international basis, we hold long-term borrowing ratings from Fitch and Moody's that are on par with sovereign ratings for India.

The President of India, acting through nominees from the MoP, holds 60.64% (as on Dec. 31, 2016) of the issued and paid up equity capital of our Company. The GoI, acting through the MoP, oversees our operations and has power to appoint Directors to our Board. We have a branch network of 19 project offices including CIRE and 3 sub-offices spread across India. The registered office at New Delhi looks at the matters relating to Planning and Policy formulation, Resource Mobilization, Financial Operations etc. Project/Field offices attend functions relating to preliminary processing of new schemes, monitoring of on-going schemes, scrutiny of loan claims, recovery of dues and maintain liaison with SEBs and State Governments for effective implementation of rural electrification programme funded by the Corporation.

#### **OUR STRENGTHS**

We believe that the following are our primary strengths:

- Our financial position is strong and our business is profitable.
- We are uniquely positioned to access and appraise borrowers in the Indian power sector.
- We occupy a key strategic position in the GoI's plans for growth of the power sector.
- We have an experienced management team with sector expertise.
- Pan India presence through our zonal/project offices in most of state capitals.



#### **OUR STRATEGY**

The key elements of our business strategy are as follows:

- Continue to fund the increased investment in the Indian power sector.
- Maintain the diversity of our asset portfolio and seek higher yielding loan assets.
- Increase our involvement in consortium lending and private sector participation in the Indian power sector.
- Increase our fee-based income.
- Implement technological innovation to manage our growth and remain a dynamic organization.

#### **OUR PRODUCTS**

#### Long-term Loans

We offer our long-term loans to central-sector power utilities, state-sector power utilities, joint-sector power utilities, state power departments, private sector power utilities and rural electricity cooperatives. Our long-term loans generally are sanctioned with respect to a specific power-related project at project inception or as bulk loans for procurement of equipment. Our long-term loans to the public sector for transmission and distribution projects typically require the borrower to obtain a state government guarantee of the loan and/or hypothecate a portion of its existing assets or hypothecate all of its project assets to secure the loan. The percentage of guarantee and hypothecation of assets differs on a case-to-case basis.

#### Short-term Loans

We offer short-term loans to our state sector borrowers to meet their immediate working capital requirements, including for the purchase of fuel for power plants, system and network maintenance, including transformer repairs, the purchase of power, the purchase of materials and minor equipment.

#### Others

#### Debt Refinancing

We may offer a debt refinancing scheme for borrowers who have borrowed funds from other lending institutions at a higher rate of interest. The refinancing facility is available generally for commissioned projects. We offer our debt refinancing products on the same interest rate terms as our long-term loans; however, the maturity of our debt refinancing products is generally not later than the maturity of the refinanced indebtedness.

## Bridge Loans

We may provide short-term bridge loan financing for borrowers that have been sanctioned financial assistance from or through us, primarily in the form of grants or long-term loans, and have received a sanction letter for the funding but are awaiting disbursements pending formalities or clearances.

# • Short-term Loans to Equipment Manufacturers

We may offer short-term loans to manufacturers of equipment or materials. To be eligible to receive these loans the equipment manufacturers must have been awarded a firm order for executing contracts in power projects in India by power utilities. We do not currently have any such loans outstanding.

#### • Medium-term Loans

We offer medium-term loans (MTL) to the Central/State Government Power Utilities and State Governments that are not in default to our Company for the following purposes:



- purchase of fuel for power plant
- system and network maintenance including transformer repairs
- purchase of power
- any other requirement due to inadequate tariff revision, repayment of loan obligation, delay in receipt of support from Govt. etc.

MTL are not provided to the following category of customer:

- who are in default to REC, or
- utilities categorised as Grade "C"
- utilities that have availed Transitional Financing Loan (TFL) facility

These loans have a loan period of more than one to three years.

#### Loans for Power Purchase through Indian Energy Exchange

In December 2009, our Board of Directors approved a new scheme pursuant to which we intend to finance power purchases made through the India Energy Exchange, which is one of two energy exchanges operating in India. It is currently intended that these power purchase loans may be offered to our existing public sector borrowers for the purpose of non-speculative purchases of power through the exchange with a maturity of 90 days from disbursement. Power purchase loans will be secured by escrow arrangements or bank guarantees, at the discretion of the borrower.

# Deendayal Upadhyaya Gram Jyoti Yojana

Government of India, in April 2005, launched the "Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) Scheme of Rural Electricity Infrastructure and Household Electrification" vide O.M. No. 44/19/2004-D(RE), dated March 18, 2005 for providing access to electricity to all rural households. REC is the Nodal Agency for implementation of the Scheme. Under the scheme 90% capital subsidy is being provided by GoI which is released through REC to the respective Implementing Agencies of the State. Subsequently, RGGVY scheme has been subsumed in new 'Deendayal Upadhyaya Gram Jyoti Yojana' (DDUGJY) scheme which was approved by Government of India vide OM No. 44/44/2014-RE dated December 03, 2014. Under DDUGJY, 60% of the project cost (85% for special States) is provided as grant by Government of India and additional grant upto15% (5% for special States) is provided by Government of India on achievement of prescribed milestones.

The main components of the scheme are as under:

- i. Separation of agriculture and non-agriculture feeders facilitating judicious fostering of supply to agricultural & non- agricultural consumers in the rural areas; and
- ii. Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/feeders/consumers; and
- iii. Rural electrification for completion of the targets laid down under RGGVY for 12th and 13th Plans by carrying forward the approved outlay for RGGVY to DDUGJY.

The components at (i) and (ii) will have an estimated outlay of INR 43,033Crores including budgetary support of INR 33,453 Crore from GOI during the entire implementation period. For component (iii) above, scheme cost of INR 39,275Crore including a budgetary support of INR 35,447Crores has been approved.

Rural Electrification Corporation Limited (REC) is the Nodal Agency for operationalization of the scheme and REC would be paid 0.5% of the total project cost as Agency fee.



#### National Electricity Fund (NEF)

National Electricity Fund (NEF) - Interest Subsidy Scheme, has become operational during the year 2012-13. The scheme has been introduced by GoI to promote the capital investment in the distribution sector. The scheme shall provide interest subsidy, linked with reform measures, on loans taken by private and public power distribution utilities for approved power Distribution Infrastructure projects.

NEF would provide interest subsidy aggregating to INR 84,660 million (USD 1,355 million spread over maximum loan tenure of 13 years against loan amount of INR 250,000 million (USD 4,000 million)) for distribution projects approved during 2012-13 and 2013-14. The pre-conditions for eligibility are linked to certain reform measures to be achieved by Discoms. Interest subsidy to the tune of 3-7%, is linked to the achievement of mainly two efficiency benchmark i.e., reduction of AT&C losses & reduction in revenue gap (ACS & ARR).

Rural Electrification Corporation is the Nodal Agency for the scheme with a mandate to operationalize the scheme and pass on the benefit of interest subsidy to eligible distribution utilities. REC will receive service charges at the rate of 0.5% of the total loan amount approved by the NEF Steering Committee.

REC, during Fiscal 2013 & Fiscal 2014, has conveyed approval for projects of loan amounting to INR 264,067 million (USD 4,226 million) to 25 discoms of 15 states. Since, the interest subsidy shall be released on the basis of continual improvement in performance of discom (mainly reduction of AT&C losses & reduction in revenue gap-ACS & ARR) to be evaluated on annual basis during the loan tenure. Further, Independent Evaluators have been appointed for evaluation of interest subsidy proposal. It is expected that NEF scheme will supplement the efforts of Govt. of India and result in improvement in distribution sector in the country. NEF scheme has given an opportunity to REC to enhance its business prospects in the power distribution sector.

NEF Steering Committee till 30th June 2016, has approved interest subsidy amounting to INR 169.20 million to eligible Discoms based on the performance criterion evaluated by Independent Evaluators and REC. Discoms have started getting the interest subsidy amount under the Scheme and the benefits shall ultimately be passed on to the consumers of the respective Discoms.

# **UDAY SCHEME**

The recent initiative by Ministry of Power, Government of India through Ujwal DISCOM Assurance Yojana (UDAY), launched in November 2015, is a path breaking reform for realizing the Hon'ble Prime Minister's vision of affordable and accessible 24x7 power for all. It is another decisive step furthering the landmark strides made in the Power sector over the past two years, with the sector witnessing a series of historic improvements across the entire value chain, from fuel supply (highest coal production growth in over 2 decades), to generation (highest ever capacity addition), transmission (highest ever increase in transmission lines) and consumption (over 2.3 crore LED bulbs distributed).

Financially stressed DISCOMs are not able to supply adequate power at affordable rates, which hampers quality of life and overall economic growth and development. Efforts towards 100% village electrification, 24X7 power supply and clean energy cannot be achieved without performing DISCOMs. Power outages also adversely affect national priorities like "Make in India" and "Digital India".

Due to legacy issues, DISCOMs are trapped in a vicious cycle with operational losses being funded by debt. UDAY assures the rise of vibrant and efficient DISCOMs through a permanent resolution of past as well as potential future issues of the sector. It empowers DISCOMs with the opportunity to break even in the next 2-3 years. This is through four initiatives (i) Improving operational efficiencies of DISCOMs; (ii) Reduction of cost of power; (iii) Reduction in interest cost of DISCOMs; and (iv) Enforcing financial discipline on DISCOMs through alignment with State finances.



#### ERP and Information Security Management System (ISMS)

REC remains committed to use of technology to increase its efficiency, and in its efforts to increase its efficiency by use of technology and reduce the time involved in business functions like Central Accounting, Project Appraisal and Sanction, Disbursement etc., REC has implemented Enterprise Resource Planning (ERP) system in the Corporation, which has resulted in increase in efficiency and greater customer satisfaction. Employee processes are also on-line through HR-ERP System. Towards achieving efficient e-governance and transparency, in procurement, now all procurement of goods and services above a cut-off value are being done through the E-procurement system which is also capable of conducting e-Reverse Auction. Additionally, Document Management System ("DMS") and other in-house developed systems viz. Annual Property Return, Bill Payment and Tracking System, Visitor Management System, File Movement System etc. have been implemented to improve the efficiency of REC. Also, for better operational environment & internal control and to mitigate security risk, REC Data Centre and Disaster Recovery Centre comply with Information Security Management System ("ISMS") policies and are ISO/IEC 27001:2013 certified, which is the global security standard, by British Standard Institution (BSI).

#### **Resource Mobilisation**

We generally fund our assets, primarily comprising loans to the power sector, with borrowings of various maturities in the domestic and international markets. Our market borrowings include bonds, short-term loans, medium-term loans, long-term loans and external commercial borrowings. As on December 31, 2016, we had total outstanding borrowing of Rs. 167612 crores. The following table sets forth our indebtedness classified by Rupee-denominated and foreign currency-denominated sources and the percentages such resources constituted of our total indebtedness as on March 31, 2014, 2015, 2016 and on December 31, 2016. The Rupee equivalents of foreign currency-denominated debts (other than those that are already fully hedged) are translated with reference to rates of exchange prevailing as at the end of all the periods indicated.

(All figures are in (INR) crores, except percentages)

Resource		As on						
Denomin	31st March, 2014		31st March,	2015	31st March, 2	016	31st Decemb	oer, 2016
ation	Amount	%	Amount	%	Amount	%	Amount	%
Rupee	108,619.04	86.04	126,995.92	84.09	147,182.66	87.04	145,710	86.93
Foreign currency	17,621.15	13.96	24,028.20	15.91	21,923.72	12.96	21,902	13.07
Total	126,240.19	100	151,024.12	100	169,106.38	100	167,612	100

#### **Domestic Borrowings**

In terms of domestic resources, a significant proportion of our Rupee denominated funds are raised through privately placed bond issues in the domestic market and term loans. We have a diverse investor base of banks, financial institutions, mutual funds, insurance companies, provident fund trusts, gratuity fund trusts and superannuation trusts and individuals. The following table sets forth our outstanding Rupee-denominated indebtedness by type and the percentage such indebtedness constituted of our total Rupee-denominated indebtedness as on March 31, 2014, 2015, 2016 and December 31, 2016.

(All figures are in (INR) crores, except in percentages)

			(11	II ligal co	are in thirty c	ores, exe	ept in percen	tagesj	
Rupee	As on								
Denominated	31st March, 2014		31st March, 2015		31 <sup>st</sup> March, 2016		31st December, 2016		
	Amount	%	Amount	%	Amount	%	Amount	%	
Taxable Bonds	75289.46	69.32	97068.18	76.43	109677.54	74.52	1,10,859	76.08	
54EC Capital Gain Tax Exemption Bonds	15492.52	14.26	15590.94	12.28	17164.39	11.66	19,211	13.19	
Infrastructure	376.32	0.35	376.32	0.30	242.39	0.17	242	0.17	



Rupee	As on								
Denominated	31st March, 2014		31st March, 2015		31st March, 2016		31st December, 2016		
	Amount	%	Amount	%	Amount	%	Amount	%	
Bonds									
Tax Free Bonds	11648.41	10.72	11648.41	9.17	12648.41	8.59	12,648	8.68	
Term Loans	3264.40	3.01	1575.00	1.24	1100.00	0.75	750	0.51	
GoI Loans	7.93	0.01	3.07	0.00	0.00	0.00	0	0	
Commercial Paper	2540.00	2.34	0.00	0.00	5600.00	3.80	2000	1.37	
WCDL	0.00	0.00	734.00	0.58	749.93	0.51	0	0	
Total	108619.04	100.00	126995.92	100.00	147,182.66	100.00	1,45,710	100.00	

#### Taxable Bonds

We issue secured/ unsecured, non-convertible, non-cumulative, redeemable, taxable, senior/subordinate bonds typically with a maturity of three to ten years from the date of issuance and bearing a fixed interest rate that depends upon market conditions at the time of issuance.

#### 54EC - Capital Gain Tax Exemption Bonds

We began issuing 54 EC – Capital Gain Tax Exemption bonds from Fiscal 2001. Section 54EC of the Income Tax Act, 1961 relates to exemption of taxes on long term capital gains, if invested in these bonds, subject to limits and qualifications. We are, therefore, able to price such bonds at a lower rate of interest than would otherwise be available to us. In order to qualify for the tax exemption, these bonds must be held for period not less than three years. Up to Fiscal 2007, these bonds have put dates at the end of three years from issuance and have maturity period of 5 years from issuance. From Fiscal 2008, automatic redemption of all bonds is made after the lock in period of three years. Since January 2007, the GoI has limited the amount of our bonds that an individual investor can utilise to offset long term capital gains to INR 0.50 crore in a financial year which has reduced the amount of bonds we have been able to offer for subsequent periods. The 54EC – capital gain tax exemption bonds are offered on a domestic private placement basis and are not listed on any exchange.

#### Infrastructure Bonds

We have issued infrastructure bonds, in Fiscal 2002 to 2005 u/s 88 of the Income Tax Act, and in Fiscal 2011 and 2012, u/s 80CCF of the Income Tax Act. Under provisions of Section 88 of the Income Tax Act, 1961, deduction is allowed from the amount of income tax (as computed before allowing the deductions under Chapter VI) on investor's total income, on investment of these bonds. Under provisions of Section 80CCF of the Income Tax Act, 1961, deduction is allowed from gross total income of an assessee on investment in these bonds and terms of the issue were subject to Notification No. 48/2010/F NO 149/84/2010-SO (TPL) issued by CBDT.

The weighted average annualised interest rate on Infrastructure Bonds issued during the Fiscal 2011 and Fiscal 2012 was 8.14% and 8.98% respectively. The weighted average annualised interest rate on all of our outstanding Infrastructure Bonds, as on December 31, 2016 was 8.74%.

Our infrastructure bonds typically have a maturity of ten and fifteen years from the date of issuance and bear a fixed interest rate with buyback option after specified years i.e., 5/6/7/8/9 years. The infrastructure bonds were offered on a domestic private placement basis and bond issued in Fiscal 2011 & 2012 are listed on NSE and tradable after lock in period.

#### Tax-free Bonds

We have issued tax-free bonds up to Fiscal 2002 and thereafter issued in Fiscal 2012 to Fiscal 2014 and Fiscal 2016. Under provisions of the Income Tax Act, interest on these bonds was tax exempt for



bondholders and we were therefore able to price such bonds at a lower rate of interest that would otherwise have been available to us. The weighted average annualise cost of borrowing on all of our outstanding tax free bonds as on December 31, 2016 was 8.07%.

The tax-free bonds issued up to Fiscal 2002, were offered on a domestic private placement basis and listed on the "whole sale debt market segment" of the NSE. The tax-free bonds issued in Fiscal 2012, were offered under domestic public issue and listed on the "whole sale debt market segment" of the BSE. The tax-free bonds issued in Fiscal 2013 & Fiscal 2014, were offered under domestic public issue & private placement and listed on the "retail debt market segment" and "whole sale debt market segment" respectively of the BSE and NSE. The tax-free bonds issued in Fiscal 2016 were offered under domestic public issue & private placement and listed on the "retail debt market segment" and "whole sale debt market segment" respectively of the BSE. Our tax free bonds typically have a maturity of ten, fifteen and twenty years from the date of issuance and bear a fixed interest rate.

#### Term loans from commercial banks and financial institutions

As on December 31, 2016 we had a total of three Rupee denominated secured term loan facilities from Life Insurance Corporation of India having outstanding balance of ₹ 750 crore. These facilities are obtained on commercial terms and have varying maturity dates and interest rates. The weighted average annualised interest rate on all of our outstanding indebtedness under term loan facilities from commercial banks and financial institutions as on December 31, 2016 was 7.03%.

Details of amount of corporate guarantee issued by the Issuer along with the name of the counterparty on behalf of whom the corporate guarantee has been issued, as at December 31, 2016:

Nil

**Commercial Paper:** The Company mobilised funds through Commercial Paper during various years. These are obtained on varying maturity dates and interest rates. Commercial Paper of ₹ 2000 crores are outstanding as on December 31, 2016.

# **Foreign Currency Resources**

We first began arranging for foreign currency borrowings during Fiscal 2007. As on December 31, 2016, outstanding foreign currency loans are ₹ 21,902 crores.

#### **External Commercial borrowings in foreign currency**

In Fiscal 2015, the Issuer raised ECB as under:

- Syndicated loan agreement through State Bank of India and Mizuho Bank Limited for USD 250 million. Loan under this agreement bear a variable interest at a spread of 170 basis points over six-month USD LIBOR and will mature in Fiscal 2020. As on December 31, 2016, this loan facility was fully drawn and USD 190 million hedged through principal only swap at 5.9160% pa and the balance is unhedged.
- Syndicated loan agreement through State Bank of India, Hong Kong and Shanghai Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Bank of India, BNP Paribas and The Australia and New Zealand Banking Group Limited for USD 400 million. Loan under this agreement bear a variable interest at a spread of 150 basis points over six-month USD LIBOR and will mature in Fiscal 2020. As on December 31, 2016, this loan facility was fully drawn and hedged through principal only swap at 5.4157% p.a.
- Syndicated loan agreement through Mizuho Bank, Ltd, State Bank of India and Sumitomo Mitsui Banking Corporation for USD 400 million. Loan under this agreement bear a variable interest at a spread of 117 basis points over six-month USD LIBOR and will mature in Fiscal 2020. As on December



31, 2016, this loan facility was fully drawn and USD 300 million hedged through principal only swap at 4.8877% pa and the balance is unhedged.

In Fiscal 2016, the Issuer raised ECB as under:

- Syndicated loan agreement through Mizuho Bank, Ltd, State Bank of India and Bank of Baroda for USD 300 million. Loan under this agreement bear a variable interest at a spread of 100 basis points over six-month USD LIBOR and will mature in Fiscal 2021. As on December 31, 2016, this loan facility was fully drawn and entire USD 300 million hedged through principal only swap at 4.9155% pa.
- Syndicated loan agreement for USD 250 million through Sumitomo Mitsui Banking Corporation, Mizuho Bank Ltd. and The Bank of Tokyo-Mitsubishi UFJ Ltd. to refinance the ECB of USD 250 Million raised in Fiscal 2013, as per approval of RBI. Loan under this agreement bear a variable interest at a spread of 70 basis points over six-month USD LIBOR and will mature in Fiscal 2019. As on December 31, 2016, this loan facility was fully drawn and USD 50 million hedged through principal only swap at 5.5295% pa, USD 50 million hedged through call spread options at 4.4985% pa and balance USD 150 million is unhedged.
- Syndicated loan agreement through State Bank of India and HSBC Banks (Mauritius) Limited for USD 300 million. Loan under this agreement bear a variable interest at a spread of 105 basis points over six-month USD LIBOR and will mature in Fiscal 2021. As on December 31, 2016, this loan facility was fully drawn and USD 75 million hedged through principal only swap at 4.9760% pa and USD 225 million hedged through call spread options at 4.0088% pa
- Syndicated loan agreement for USD 250 million through Mizuho Bank Ltd. and The Bank of Tokyo-Mitsubishi UFJ Ltd. to refinance the ECB of USD 250 Million raised in Fiscal 2013, as per approval of RBI. Loan under this agreement bear a variable interest at a spread of 65 basis points over sixmonth USD LIBOR and will mature in Fiscal 2019. As on December 31, 2016, this loan facility was fully drawn and entire USD 300 million hedged through call spread options at 4.1859% pa
- Syndicated loan agreement for USD 120 million through Australia and New Zealand Banking Group Limited to part-refinance the ECB of USD 250 Million raised in Fiscal 2013, as per approval of RBI. Loan under this agreement bear a variable interest at a spread of 95 basis points over six-month USD LIBOR and will mature in Fiscal 2019. As on December 31, 2016, this loan facility was fully drawn and entire USD 75 million hedged through call spread options at 4.44% pa.

In Fiscal 2017 (till December 31, 2016), the Issuer raised ECB as under:

• Bilateral loan agreement with The Bank of Tokyo-Mitsubishi UFJ Ltd. for USD 100 million. Loan under this agreement bears a variable interest at a spread of 80 basis points over three-month USD LIBOR and will mature in Fiscal 2022. As on December 31, 2016, this loan facility was fully drawn and entire USD 100 million hedged through call spread options at 4.3195% pa.

<u>Bilateral credit agreements</u>: We also have five foreign currency loan facilities from external bilateral credit agencies.

- In Fiscal 2006, we also entered into a loan agreement with JICA for financial assistance of JPY 20,629 million restated to 16,949.38 million w.e.f. 29.08.2012. This agreement bears a fixed interest rate of 0.75% per annum and matures in 2021. The GoI has guaranteed borrowings under this facility for which we pay a guarantee fee. As of December 31, 2016, entire loan amount of JPY 16,949.38 million has been drawn under this facility.
- In Fiscal 2008, we entered into a second loan agreement with JICA for financial assistance of JPY 20,902 million restated to JPY 13,000 million w.e.f. 18.02.2012 and further restated to JPY 11,809 million w.e.f. 31.03.2016. This agreement bears a fixed interest rate of 0.65% per annum and



matures in Fiscal 2023. The GoI has guaranteed borrowings under this facility for which we pay a guarantee fee. As on December 31, 2016, entire loan amount of JPY 11,809 million have been fully drawn under this facility.

- In Fiscal 2007, we entered into a loan agreement with KfW for financial assistance of Euro 70 million. Loans under this agreement bear a fixed interest rate of 3.73% per annum and mature in 2018. The GoI has guaranteed borrowings under this facility for which we pay a guarantee fee. As of December 31, 2016, entire loan amount of Euro 70 million has been drawn under this facility.
- In Fiscal 2009, we entered into a second loan agreement with KfW for financial assistance of Euro 70 million. This agreement bears a fixed interest rate of 2.89% per annum and matures in 2020. The GoI has guaranteed borrowings under this facility for which we pay a guarantee fee. As of December 31, 2016, entire loan amount of Euro 70 million has been drawn under this facility.
- In Fiscal 2012, we entered into a third loan agreement with KfW for financial assistance of Euro 100 million. This agreement bears a fixed interest rate of 1.86% per annum and matures in 2024. The GoI has guaranteed borrowings under this facility for which we pay a guarantee fee. As of December 31, 2016, Euro 100 million has been fully drawn under this facility.

# Business details of subsidiaries and their special purpose vehicles (SPVs):

#### • REC Transmission Projects Company Limited

RECTPCL was incorporated on January 8, 2007 as a public limited company and its registered office is situated at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003, India. It received its certificate of commencement of business on February 5, 2007. RECTPCL is engaged inter alia in the business of, to promote, organise or carry on the business of consultancy services and/or project implementation in any field of activity relating to transmission and distribution of electricity in India or abroad.

#### • REC Power Distribution Company Limited

RECPDCL was incorporated on July 12, 2007 as a public limited company and its registered office is situated at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003, India. It received its certificate of commencement of business on July 31, 2007. RECPDCL is presently engaged inter alia in the business of, to promote, develop, construct, own, operate, distribute and maintain 66KV and below voltage class electrification, distribution, electric supply lines or distribution system.

#### • NER II Transmission Limited

NER II Transmission Limited has been incorporated as a Special Purpose Vehicle as a wholly owned subsidiary of REC Transmission Projects Company Limited on April 21, 2015 to undertake activities for transmission systems relating to a NER System Strengthening Scheme– II(B) & V. A two stage Bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GoI for selection of developer as Transmission Service Provider. The RFQ of the project was issued on November 27, 2015. Five bidders have participated at the RFQ stage and all five have qualified to participate in next stage of bidding i.e. RFP. The RFP for the project has been issued w.e.f September 15, 2016 and the bidding process is expected to conclude during FY 2016-17.

#### • Dinchang Transmission Limited

Dinchang Transmission Limited has been incorporated as a Special Purpose Vehicle as a wholly owned subsidiary of REC Transmission Projects Company Limited December 2, 2015 as



transmission service provider for Transmission system for Phase-I Generation Projects in Arunachal Pradesh. A two stage Bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GoI for selection of developer as Transmission Service Provider. The RfQ of the project was issued on December 4, 2015. Five bidders have participated at the RFQ stage and all five bidders have qualified to participate in next stage of bidding i.e. RFP. The RFP for the project has been issued w.e.f April 13, 2016. However, the bidding process has been kept in abeyance as per the instructions from Central Electricity Authority (CEA).

# • Ghatampur Transmission Limited

Ghatampur Transmission Limited has been incorporated as a Special Purpose Vehicle as a wholly owned subsidiary of REC Transmission Projects Company Limited on December 2, 2016 as transmission service provider for evacuation of Power from 3x660 MW Ghatampur Thermal Project. A two stage Bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GoI for selection of developer as Transmission Service Provider. The RfQ of the project was issued on September 3, 2016. Four bidders participated at the RFQ stage out of which three bidders have qualified to participate in next stage of bidding i.e. RFP. The RFP for the project will be issued shortly.



# IX. BRIEF CORPORATE HISTORY OF OUR COMPANY CHANGES IN THE REGISTERED AND CORPORATE OFFICE MAJOR EVENTS MILESTONES AND SUBSIDIARIES

#### **Brief Corporate History of our Company**

Our Company was incorporated as a private limited company under the Companies Act, 1956 on July 25, 1969 at New Delhi as "Rural Electrification Corporation Private Limited". The word "private" was deleted from the name of our Company on June 03, 1970. Our Company became a deemed public limited company with effect from July 01, 1975. Our Company was converted into a public limited company with effect from July 18, 2003.

Our Company was declared a 'Public Financial Institution' under Section 4A of the Companies Act, 1956 pursuant to a notification (S.O. 128(E)) dated February 11, 1992 issued by the then Department of Company Affairs, Ministry of Law, Justice and Company Affairs, GoI. We are also registered with the RBI as an NBFC with effect from February 10, 1998. Further, RBI vide its letter dated September 17, 2010 categorised REC as an Infrastructure Finance Company ("IFC"), in terms of their circular dated February 12, 2010.

### **Changes in the Registered and Corporate Office**

Our Registered and Corporate Office is currently situated at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003, India. Our registered office was initially situated at Floor No. 3, Jeevan Vihar, Parliament Street, New Delhi 110 001, India, pursuant to a resolution of our Board dated September 5, 1969. The table below encapsulates changes in our registered office since our incorporation.

Date of shareholders' resolution	Change in address of the Registered Office
September 5, 1969	Floor No. 3, Jeevan Vihar, Parliament Street, New Delhi 110 001, India.
March 3, 1970	D-5, NDSE, Part-II, South Extension, New Delhi 110 049, India.
November 30, 1976	2nd and 3rd Floor, DDA Building, Nehru Place, New Delhi 110 019, India.
November 28, 1995	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003, India.

**Major Events and Milestones** 

Calendar Year	Event
1969	Incorporation of our Company.
1970	Commenced lending operations to SEBs.
1974	Authorised by the Ministry of Irrigation and Power to finance rural electrification under the 'Minimum Needs Programme'.
1979	CIRE set up in Hyderabad.
1988	Launch of KutirJyoti and JalDhara programmes for rural electrification.
1992	Declared a Public Financial Institution under Section 4A of the Companies Act, 1956.
1993	Entered into MoU with the Ministry of Power for the year 1993-1994 for the first time to achieve certain performance related targets.
1998	Registered as a NBFC under Section 45(IA) of the RBI Act, 1934.
2001	Allowed to issue Capital Gains Tax Exemption Bonds under Section 54 EC of the IT Act.
	Up gradation from Schedule 'B' to Schedule 'A' Corporation
2002	Grant of Mini Ratna- I status
2005	Appointed as the nodal agency for RGGVY (presently known as Deendayal Upadhyaya Gram Jyoti Yojana).
2006	Entered into agreement with Japan International Cooperation Agency for availing a loan facility of JPY 20,629 million.



Calendar Year	Event
	Entered into agreement with KfW, Frankfurt am Main for availing a loan facility of Euro 70 million.
2008	Launch of Initial Public Offer and dilution of Promoter's shareholding from 100% to 81.82%. Gross proceeds from IPO were₹ 819.63 crores.
	Listed Equity Shares of the Company on NSE and BSE.
	Accorded "Navratna" status by the Department of Public Enterprise, GoI for our operational efficiency and financial strength, which affords greater operational freedom and autonomy in decision making.
	Entered into agreement with Japan International Cooperation Agency for availing a loan facility of JPY 20,902 million.
2009	Entered into agreement with KfW, Frankfurt am Main for availing a loan facility of Euro 70 million.
	Received 'LAAA' rating from ICRA in relation to ₹ 25,000 crores long term borrowing programme for the Fiscal 2010.
2010	Follow-on issue of Equity Shares resulting in (a) raising ₹ 2,647.53 crores of gross proceeds through fresh issue and (b) GoI reducing its ownership to 66.80%.
	RBI categorised REC as an Infrastructure Finance Company (" <b>IFC</b> ").
	REC was included in the MSCI emerging marketing index.
2011	REC successfully priced a USD 500 million 4.25% 5-year Reg S Senior Unsecured Notes transaction.
	REC was the first Indian NBFC –IFC to enter into the international debt market.
2012	CHF Bonds through Reg S for CHF 200 million were issued by REC, which were listed in the SIX Swiss Exchange, Switzerland.
	Entered into agreement with KfW, Frankfurt am Main for availing a loan facility of Euro 100 million.
	National Electricity Fund (Interest Subsidy Scheme) has been set up by Ministry of Power to provide interest subsidy on loans disbursed to the State Power Utilities, Distribution Companies (DISCOMS) - both in public and private sector, to improve the infrastructure in distribution sector. REC is the nodal agency for the scheme with a mandate to operationalize the scheme through which amount for interest subsidy will be provided.
2013	REC received DSIJ PSU Award, 2012 for "Fastest Growing Operational Metrics" in Non-Manufacturing Navratna Category.
	REC received CIDC Vishwakarma Award 2013 in the category of "Achievement Award for Industry Doyen.
	REC received Award in the Category of "Non-Banking Financial Services" by India Pride Awards, Dainik Bhaskar and DNA.
2014	Entered into offshore syndicated facility agreements for availing loan facility of USD 285 million from Hong Kong and Shanghai Banking Corporation Limited, State Bank of India, Singapore Branch and Sumitomo Mitsui Banking Corporation as Mandated Lead Arrangers and Book runners (MLAB's) in November.



Calendar Year	Event
	REC named 'Best Employer India 2013' and also been awarded 'The Aon Hewitt Voice of Employee Award Public Sector Enterprise India 2013' by Aon Hewitt.
	Received 'Best HR Practices' Award in the Navratna PSU's category from India Today PSUs Award 2014 REC received DSIJ PSU Award, 2014 for "Fastest Growing Navratna of the Year in Non-Manufacturing Category.
	'Rural sector PSE of the Year making Grass Root Infrastructure Impact' from IPSE Award 2014.
	'Best Power Financing Company' for outstanding contribution in terms of providing financial assistance and promoting Rural electrification Projects all over the Country having consistent record of Excellent all round Performance Growth and Profitability since inception and Contribution to the Growth of Nation from CBIP
	"Best Governed Company" by Institute of Company Secretaries of India and REC has been awarded "ICSI National Award for excellence in corporate governance".
	Nodal Agency for operationalization of Deendayal Upadhyaya Gram Jyoti Yojana on December 3, 2014 (including Rural Electrification (RE) component - the erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana - RGGVY) mainly for separation of agriculture and non-agriculture feeders; strengthening and augmentation of subtransmission & distribution infrastructure in rural areas; and rural electrification for completion of the targets laid down under RGGVY for XII and XIII Plans.
2015	"Fastest Growing Navratna PSU" award from India Today.
	Third Largest Financier in RE in FY 2015-16 from Ministry of Non-Conventional and Renewable Energy (MNRE)
2016	Rated "Excellent" for Fiscal 2015 in terms of MoU signed with GoI for the $22^{nd}$ year in succession,
	Nodal Agency for implementation of Outage Management System and 11 KV Rural Feeder Management System.
2017	Received "Best Power Financing Company" award in CBIP Awards 2017.
	Won Gold Trophy for "SCOPE Meritorious award for Best Public Sector Financing Institution or Insurance Company" for the year 2014-15 to be presented in 2017.

# DETAILS REGARDING ACQUISITION OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS

Our Company has neither acquired any entity, business or undertakings nor undertaken any mergers, amalgamation, or revaluation of assets in the last Fiscal.

# **HOLDING ENTITY- OUR PROMOTER**

Our Promoter is the President of India, acting through the Ministry of Power, holding 60.64% of our Equity Share Capital as on December 31, 2016. Following are details of the Promoter holding of the Issuer:



S. No.	Name of Shareholder	Total number of equity shares	Number of shares in demat form	Total shareholding as % of total no of equity shares	No of Shares Pledged	% of Shares pledged with respect to shares owned
1.	President of India	1,19,75,35,360	1,19,75,35,360	60.64%	0	0

## **JOINT VENTURES**

Energy Efficiency Services Limited ("EESL")

REC, along with three other PSUs, namely Power Grid Corporation of India Limited, NTPC and PFC as partners, has formed a Joint Venture Company by the name Energy Efficiency Services Limited (EESL) on December 10, 2009. During the financial year 2016-17, the Equity investment of REC in EESL was increased to 14,65,00,000 Equity Shares of ₹ 10/- each w.e.f April 25, 2016. Accordingly, as on date REC holds 31.70% of the paid up equity share capital of EESL.

EESL is formed to create & sustain market access of energy efficient technologies particularly in the public facilities like municipalities, buildings, agriculture, industry etc. and to implement several schemes of Bureau of Energy Efficiency, Ministry of Power, Government of India. EESL is also leading the market related activities of the National Mission for Enhanced Energy Efficiency (NMEEE), one of the 8 national missions under National Action Plan on Climate Change. The Business verticals of the company inter-alia include implementing projects in Energy Service Company (ESCO) mode in Agriculture Demand Side Management (AgDSM), Municipal Demand Side Management (MuDSM), Distribution Energy Effi ciency projects, Building, Small & Medium Enterprises (SMEs), Perform, Achieve and Trade-Joint Implementation Plan (PAT-JIP), Corporate Social Responsibility activities, etc. Currently, EESL is implementing Municipal Street Lighting projects with various Municipal Corporation and AgDSM projects for replacement of inefficient Agricultural Pump sets in agriculture sector, Unnat Jyoti by Affordable LEDs for all formerly Domestic Efficient Lighting Programme (DELP) in domestic residential sector in ESCO mode with various Utilities and CSR projects of various companies.

# ENTITIES IN WHICH WE HAVE EQUITY INVESTMENT

## Indian Energy Exchange Limited ("IEX")

Pursuant to the approval of Board of Directors in year 2007, our Company acquired 5% (12,50,000 equity shares of face value of ₹10 each) of the then equity share capital of IEX. Certain significant details of IEX are provided hereunder:

IEX was incorporated on March 26, 2007 and received its certificate of commencement of business on April 17, 2007. Its registered office is situated at Unit No. 3-6, 4th Floor, TDI Centre, District Centre, Jasola, New Delhi – 110025. IEX offers national level electronic platform to facilitate trading in electricity, subject to supervision of the Central Electricity Regulatory Commission ('CERC'). Entities listed to undertake trading in electricity, distribution licensees and grid connected entities use the platform offered by IEX to purchase and sell electricity. Currently, IEX operates Day-Ahead Market (DAM) and Term-Ahead Market (TAM) in electricity as well as Renewable Energy Certificate (REC) Market. The Exchange provides a transparent, demutualised and automated platform enabling efficient price discovery and price risk management for participants. The equity shares of IEX are not listed on any stock exchange. As on December 31, 2016, REC holds 4.34% in the equity share capital of IEX.

#### **Universal Commodity Exchange Limited ("UCX")**

Pursuant to a Board resolution dated December 16, 2011, our Company approved the acquisition of 16% of the initial capital of INR 100 crores of UCX by paying the consideration amount of INR 16 crores. Certain significant details of UCX are provided hereunder:



UCX was incorporated on February 25, 2008. Its registered office is situated at Exchange House, Building No. 8 (105), Sector II, Millennium Business Park, Mahape, Navi Mumbai, Maharashtra-400710. UCX is engaged in the business of commodity exchange.

The equity shares of UCX are not listed on any stock exchange. As per the latest available shareholding pattern, REC holds 16% shareholding in UCX.

## 'Small is Beautiful' Fund ("SBF")

SBF is an Indian venture capital fund organised and settled as a contributory trust and registered with SEBI as a Venture Capital Fund. KSK Trust Private Limited is the trustee for SBF. The office of SBF is situated at Plot No. 84, Kaveri Hills, Phase II, Madhapur, Hyderabad – 500033, Andhra Pradesh, India. SBF is engaged in the business of making investments in power generation and other allied projects in Indian power sector.

#### **Investment in NHPC**

REC has invested in 26,05,42,050 equity shares of NHPC Limited at the rate of ₹ 21.78 per share (including STT, brokerage and other charges) amounting to ₹ 567.50 Crore in April 2016 during disinvestment by Government of India through OFS route.

REC holds around 2.35% total equity share capital of NHPC Ltd.

NHPC Limited, a Govt. of India Enterprise, was incorporated in the year 1975 with an objective to plan, promote and organise an integrated and efficient development of hydroelectric power in all aspects. Later on NHPC expanded its objects to include development of power in all its aspects through conventional and non-conventional sources in India and abroad. At present, NHPC is a Mini Ratna Category-I Enterprise of the Govt. of India with an authorised share capital of ₹15,000 crores and issued share capital is ₹11,070.67 crores.

NHPC has been assigned credit rating of AAA / stable by CRISIL.

#### Lanco Teesta Hydro Power Limited ("LTHPL")

REC has acquired the equity shares of the value of Rs. 102 crores in the project SPV under the implementation of SDR scheme, as per RBI guidelines. Meetings have been held to review the status LTHPL and exploring options such as specialized Government entity having experience of hydro sector, i.e. NHPC or Government of Sikkim taking a majority stake in the project and other related matters.



# X. CAPITAL STRUCTURE

# **CAPITAL STRUCTURE** as on December 31, 2016:

(₹in Crore)

		Aggregate value at nominal value
<b>A)</b>	AUTHORISED SHARE CAPITAL	
	500,00,00,000 Equity Shares of face value of ₹10/- each	5,000.00
B)	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	
	197,49,18,000 Equity Shares of face value of ₹10/- each fully paid up	1974.92
<b>C)</b>	SECURITIES PREMIUM ACCOUNT	3223.72

#### Notes:

Since the present offer comprises of issue of non-convertible bonds, it shall not affect the paid-up equity share capital or share premium account of the Company after the offer.

# **Details of Equity Share Capital**

Date of Issue/ allotment	No. of equity shares of our Company	Face Value (₹)	Issue price (₹)	Nature for allotment	Consideration in Cash/ other than cash	Cumulative Share Premium	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)		
October 7, 1969	2,000	1,000	1,000	Initial subscription <sup>(1)</sup>	Cash Nil		2,000,000	2,000,000		
January 30, 1970	28,000	1,000	1,000	Further issue	Cash	Nil	28,000,000	30,000,000		
December 2, 1970	60,000	1,000	1,000	Further issue	Cash	Nil	60,000,000	90,000,000		
April 30, 1971	20,000	1,000	1,000	Further issue	Cash	Nil	20,000,000	110,000,000		
January 28, 1972	10,000	1,000	1,000	Further issue	Cash	Nil	10,000,000	120,000,000		
August 28, 1972	80,000	1,000	1,000	Further issue	Cash	Nil	80,000,000	200,000,000		
September 27, 1973	70,000	1,000	1,000	Further issue	Cash	Nil	70,000,000	270,000,000		
March 23, 1974	40,000	1,000	1,000	Further issue	Cash	Nil	40,000,000	310,000,000		
October 31, 1974	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	410,000,000		
February 20, 1975	90,000	1,000	1,000	Further issue	Cash	Nil	90,000,000	500,000,000		
March 8, 1976	50,000	1,000	1,000	Further issue	Cash	Nil	50,000,000	550,000,000		
August 17, 1976	50,000	1,000	1,000	Further issue	Cash	Nil	50,000,000	600,000,000		
July 30, 1977	70,000	1,000	1,000	Further issue	Cash	Nil	70,000,000	670,000,000		
September 4, 1978	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	770,000,000		
July 25, 1979	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	870,000,000		
April 23, 1980	40,000	1,000	1,000	Further issue	Cash	Cash Nil		910,000,000		
August 23, 1980	15,000	1,000	1,000	Further issue	Cash	Nil	15,000,000	925,000,000		
September 22, 1980	75,000	1,000	1,000	Further issue	Cash	Nil	75,000,000	1,000,000,000		
July 27, 1981	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	1,100,000,000		



Date of Issue/ allotment	e/ equity Valent shares of our		Issue price (₹)	Nature for allotment	Consideration in Cash/ other than cash	Cumulative Share Premium	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)	
May 10,	16,600	1,000	1,000	Further issue	Cash	Nil	16,600,000	1,116,600,000	
1982 August 16,	83,400	1,000	1,000	Further issue	Cash	Nil	83,400,000	1,200,000,000	
1982 May 28, 1983	16,600	1,000	1,000	Further issue	Cash Nil 16,600,000		1,216,600,000		
August 3, 1983	83,400	1,000	1,000	Further issue	Cash	Nil	83,400,000	1,300,000,000	
August 17, 1984	110,000	1,000	1,000	Further issue	Cash	Nil	110,000,000	1,410,000,000	
May 29, 1985	30,000	1,000	1,000	Further issue	Cash	Nil	30,000,000	1,440,000,000	
August 6, 1985	60,000	1,000	1,000	Further issue	Cash	Nil	60,000,000	1,500,000,000	
December 17, 1985	110,000	1,000	1,000	Further issue	Cash	Nil	110,000,000	1,610,000,000	
May 21, 1986	40,000	1,000	1,000	Further issue	Cash	Nil	40,000,000	1,650,000,000	
July 16, 1986	220,000	1,000	1,000	Further issue	Cash	Nil	220,000,000	1,870,000,000	
June 8, 1987	47,000	1,000	1,000	Further issue	Cash	Nil	47,000,000	1,917,000,000	
August 6, 1987	239,000	1,000	1,000	Further issue	Cash	Nil	239,000,000	2,156,000,000	
May 27, 1988	53,300	1,000	1,000	Further issue	Cash	Nil	53,300,000	2,209,300,000	
July 30, 1988	266,700	1,000	1,000	Further issue	Cash	Nil	266,700,000	2,476,000,000	
June 14, 1989	58,300	1,000	1,000	Further issue	Cash	Nil	58,300,000	2,534,300,000	
July 20, 1989	291,700	1,000	1,000	Further issue	Cash	Nil	291,700,000	2,826,000,000	
November 15, 1990	300,000	1,000	1,000	Further issue	Cash	Nil	300,000,000	3,126,000,000	
January 28, 1991	70,000	1,000	1,000	Further issue	Cash	Nil	70,000,000	3,196,000,000	
May 27, 1991	30,000	1,000	1,000	Further issue	Cash	Nil	30,000,000	3,226,000,000	
August 21, 1991	200,000	1,000	1,000	Further issue	Cash	Nil	200,000,000	3,426,000,000	
November 27, 1991	200,000	1,000	1,000	Further issue	Cash	Nil	200,000,000	3,626,000,000	
June 11, 1992	65,000	1,000	1,000	Further issue	Cash	Nil	65,000,000	3,691,000,000	
September 17, 1992	210,000	1,000	1,000	Further issue	Cash	Nil	210,000,000	3,901,000,000	
June 18, 1993	190,000	1,000	1,000	Further issue	Cash	Nil	190,000,000	4,091,000,000	
September 10, 1993	295,000	1,000	1,000	Further issue	Cash	Nil	295,000,000	4,386,000,000	
February 23, 1994	40,000	1,000	1,000	Further issue	Cash	Nil 40,0		4,426,000,000	
August 23, 1994	200,000	1,000	1,000	Further issue	Cash	Nil	200,000,000	4,626,000,000	
November 22, 1994	240,000	1,000	1,000	Further issue	Cash	Nil	240,000,000	4,866,000,000	



Date of Issue/ allotment	No. of equity shares of our Company	Face Value (₹)	Issue price (₹)	Nature for allotment	Consideration in Cash/ other than cash	other Share Premium		Cumulative Equity Share Capital (₹)	
August 25, 1995	240,000	1,000	1,000	Further issue	Cash	Nil	240,000,000	5,106,000,000	
September 13, 1995	240,000	1,000	1,000	Further issue	Cash	Nil	240,000,000	5,346,000,000	
August 27, 1996	370,000	1,000	1,000	Further issue	Cash	Nil	370,000,000	5,716,000,000	
November 21, 1996	110,000	1,000	1,000	Further issue	Cash	Nil	110,000,000	5,826,000,000	
July 31, 1997	170,000	1,000	1,000	Further issue	Cash	Nil	170,000,000	5,996,000,000	
September 5, 1997	310,000	1,000	1,000	Further issue	Cash	Nil	310,000,000	6,306,000,000	
June 29, 1998	160,000	1,000	1,000	Further issue	Cash	Nil	160,000,000	6,466,000,000	
September 4, 1998			1,000	Further issue	Cash	Nil	340,000,000	6,806,000,000	
December 14, 2000			1,000	Further issue	Cash	Nil	500,000,000	7,306,000,000	
March 13, 2002			1,000	Further issue	Cash	Nil	500,000,000	7,806,000,000	
	e of equity shar n of our shareh				face value of ₹ 1,	000 per equity share	to ₹10 per equ	ity share pursuant	
March 5, 2008	78,060,000	78,060,000 10 10		Initial public offering	Cash	*** 780,600,000		8,586,600,000	
March 5, 2010	128,799,000	0 10	(193- 215)	Further public offering	Cash	***	1,287,990,000	9,874,590,000	
September 30, 2016	98,74,59,000	0 10	NIL	Bonus shares			987,45,90,000	1974,91,80,000	

Our Company has issued Bonus shares in the ratio 1:1 to the shareholders of the Company on September 30, 2016. Apart from this, the Company has not issued any Equity Shares or debt securities for consideration other than cash, whether in whole or part, since its incorporation.

# **Our Shareholding Pattern**

The table below represents the shareholding pattern of our Company as SEBI (Listing Obligation and Disclosure Requirements), 2015, as on December 31, 2016:



Table I - Summary Statement holding of specified securities

Category	Category of Share- holder	No of Share- holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Under- lying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+ (VI)	Share holding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities    No of Voting Rights			No of Shares Under- lying Outstand- ing convertible securities (Including Warrants)	Share- holding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	No.	As a % of total Shares held	St pled oth	aber of lares ged or erwise mbered  As a % of total Shares held	Number of equity shares held in de- materialized form	
(I)	(II)	(III)	(IV)	( <b>V</b> )	(VI)	(VII)	(VIII)			IX)		(X)	(XI)	(.	XII)	()	(III)	(XIV)
(A)	Promoter & Promoter Group	1	1,19,75,35,360	0	0	1,19,75,35,360	60.64	1,19,75,35,360	0	1,19,75,35,360	60.64	0	60.64	0	0.00	0	0.00	1,19,75,35,360
(B)	Public	2,79,104	77,73,82,640	0	0	77,73,82,640	39.36	77,73,82,640	0	77,73,82,640	39.36	0	39.36	0	0.00	NA	NA	77,73,16,323
(C)	Non Promoter- Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	NA	0	0.00	NA	NA	0
(C2)	Shares held by Employes Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total:	2,79,105	1,97,49,18,000	0	0	1,97,49,18,000	100.00	1,97,49,18,000	0	1,97,49,18,000	100.00	0	100.00	0	0.00	0	0.00	1,97,48,51,683



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shar e- hold ers	paid up	up	of Sha res Und er-	Total No of Shares Held (IV+V+ VI)	Shareh olding as a % of total no of shares (calcul ated as per SCRR, 1957 (VIII) As a % of (A+B+	Number of Vo	of s	ecurities Rights	Tota %		No of Shares Under- lying Outsta n-ding convert -tible securiti es (Inclu- ding War- rants)	assuming full conversion of		ced in	Sh pled othe encu	ares	
								C2		Y					(A+B+C2)					
	(I)	(II)	(III)	(IV)	<b>(V)</b>	(VI)	(VII)	(VIII)			(IX)			( <b>X</b> )	(XI)	(	XII)	(2	(III)	(XIV)
(1)	Indian																			
(a)	Individuals/ Hindu undivided Family		0	0	0	0	0	0.00	0	0		0	0.00	0	0.00	0	0.00	0	0.00	0
	Central Government/State Government(s)		1	119,75,35,360	0	0	119,75,35,36 0	60.64	119,75,35,360	0	119,75,35,36	0	60.64	0	60.64	0	0.00	0	0.00	119,75,35,360
(b)	PRESIDENT OF INDIA	EXEMP T CATG	1	119,75,35,360	0	0	119,75,35,36	60.64	119,75,35,360	0	119,75,35,36	0	60.64	0	60.64	0	0.00	0	0.00	119,75,35,360
(c)	Financial Institutions/Banks		0	0	0	0	0	0.00	0	0		0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other		0	0	0	0	0	0.00	0	0		0	0.00	0	0.00	0	0.00	0	0.00	0
\/	Sub-Total (A)(1)		1	119,75,35,360	0	0	119,75,35,360	60.64	119,75,35,360	0	119,75,35,36	0	60.64	0	60.64	0	0.00	0	0.00	119,75,35,360
(2)	Foreign																			
(a)	Individuals (Non- Resident Individuals/Forei gn Individuals		0	0	0	0	0	0.00	0	0		0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government		0	0	0	0	0	0.00	0	0		0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions		0	0	0	0	0	0.00	0	0		0	0.00	0	0.00	0	0.00	0	0.00	0



Category	Category & Name of the Shareholder	PAN	No of Shar e- hold ers	paid up equity shares held	No of Partly paid- up equity share held	of Sha res Und er-	Total No of Shares Held (IV+V+ VI)	Shareh olding as a % of total no of shares (calcul ated as per SCRR, 1957 (VIII) As a % of (A+B+	No of Vo	of s	ecurities	Fotal :  (A+B-	as a of	No of Shares Under- lying Outsta n-ding convert -tible securiti es (Inclu- ding War- rants)			ked in	St pled othe encu		Number of equity shares held in de- naterialized form
	(I)	(II)	(III)	(IV)	<b>(V)</b>	(VI)	(VII)	(VIII)			(IX)			(X)	(A+B+C2) (XI)		(XII)	(2	KIII)	(XIV)
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0		0	0.00	0	0.00	C	0.00	0	0.00	0
(e)	Any Other		0	0	0	0	0	0.00	0	0		0	0.00	0	0.00	C	0.00	0	0.00	0
	Sub-Total (A)(2) Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2		0	0 119,75,35,360	0		0 119,75,35,360	0.00	0 119,75,35,360	0	119,75,35,36	0	0.00	0	0.00 60.64				****	



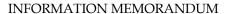
Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of the Shareholder	PAN	No of Sharehold ers	No of fully	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Share holding as a % of total no of shares (A+B+ C2)		ss of	ass Total		Shares Underlyi ng Outstan- ding convert- tible secure- ties (Inclu-	assuming	Loc Sh No.	ked in iares	Sha pledg othe encun	ber of ares ged or rwise ibered As a % of total Shares held	Number of equity shares held in dematerialized form
	<b>(I</b> )	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)		(	(IX)		(X)	(XI)	(2	XII)	( <b>X</b>	III)	(XIV)
(1)	Institutions																		
(a)	Mutual Funds		33	5,30,11,353	0	0	5,30,11,353	2.68	5,30,11,353	0	5,30,11,353	2.68	0	2.68	0	0.00	NA	NA	5,30,11,353
	HDFC TRUSTEE COMPANY LIMITED- HDFC EQUITY FUND	AAATH1 809A	6	3,73,65,538	0	0	3,73,65,538	1.89	3,73,65,538	0	3,73,65,538	1.89	0	1.89	0	0.00	NA	NA	3,73,65,538
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Alternate Investment Funds		0	Ü	0	0	0	0.00	0		0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investors		296	34,65,57,200	0	0	34,65,57,200	17.55	34,65,57,200	0	34,65,57,20 0	17.55	0	17.55	0	0.00	NA	NA	34,65,57,200
	Eastspring Investment (Singapore) Limited A/C	AACCP05 14H	1	3,10,94,347	0	0	3,10,94,347	1.57	3,10,94,347	0	3,10,94,347		0	1.57	0	0.00	NA	NA	3,10,94,347
(f)	Financial Institutions/Banks		20	1,69,42,662	0	0	1,69,42,662	0.86	1,69,42,662	0	1,69,42,662	0.86	0	0.86	0	0.00	NA	NA	1,69,42,662
(g)	Insurance Companies		22	16,29,52,233	0	0	16,29,52,233	8.25	16,29,52,233	0	16,29,52,233	8.25	0	8.25	0	0.00	NA	NA	16,29,52,233
\5/	LIFE INSURANCE CORPORATION OF INDIA	AAACL0 582H	17	15,13,95,933	0	0	15,13,95,933	7.67	15,13,95,933	0	15,13,95,933	7.67	0	7.67	0	0.00	NA	NA	15,13,95,933
(h)	Provident Funds/Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0





Category	Category & Name of the Shareholder	PAN	No of Sharehold ers	No of fully paid up equity shares held	No of Partly paid-up equity shares held		Total No of Shares Held (IV+V+VI)	Share holding as a % of total no of shares (A+B+ C2)	Number of Vocals  No of V  Class X	ss of	g Rights  Total	Total as a % of (A+B+ C)	Shares Underly ng Outstan- ding	i % assuming full conver- sion of conver-	Loc Si No.	ked in nares	Sh pleds othe encur <u>No.</u>	ber of ares ged or rwise nbered As a % of tota Shares held	
	(I)	(II)	(III)	( <b>IV</b> )	(V)	(VI)	(VII)	(VIII)	1		 IX)		(X)	(XI)	C	XII)	(X	III)	(XIV)
(i)	Any Other	(=1)	(	(21)			( <del>' 11</del> )	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					(**)	(111)	(-		(23		(1211)
(1)	FOREIGN NATIONALS		2	129200	0	0	129200	0.01	129200	0	129200	0.01	0	0.01	0	0.00	NA	NA	129200
	Sub Total (B)(1)		_	57,95,92,648	0				57,95,92,648	0	57,95,92,648	29.35			0		NA		57,95,92,648
	Central Government/State		0	0	0	0	0	0.00	0			0.00					NA		
	Government(s)/President of			_			_		_										
(2)	India																		
	Sub Total (B)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(3)	Non-Institutions																		
	i.Individual shareholders		2,72,938	9,06,65,583	0	0	9,06,65,583	4.59	9,06,65,583	0	9,06,65,583	4.59	0	4.59	0	0.00	NA	NA	9,06,01,366
	holding nominal share																		
(a)	capital up to ₹2 lakhs																		
	ii.Individual shareholders		492	4,58,74,939	0	0	4,58,74,939	2.32	4,58,74,939	0	4,58,74,939	2.32	0	2.32	0	0.00	NA	NA	4,58,74,939
	holding nominal share																		
	capital in excess of ₹ 2																		
	Lakhs							<del>                                     </del>											
(b)	NBFCs Registered with RBI		16	309094	0	0	309094	0.02	309094	0	309094	0.02	. 0	0.02	0	0.00	NA	NA	309094
(b) (c)	Employee Trusts		0	309094	0	0	309094		309094	_					0		NA NA	NA NA	309094
(0)	Overseas Depositories		0	0	0	0	0	0.00	0			0.00			-		NA	NA	0
	(Holding DRs)(Balancing			· ·	U			0.00				0.00		0.00	"	0.00	11/1	11/1	
(d)	figure)																		
(e)	Any Other																		
	BODIES CORPORATES		1,718	4,19,58,386	0	0	4,19,58,,386	2.12	4,19,58,,386	0	4,19,58,386	2.12	0	2.12	0	0.00	NA	NA	4,19,58,386
	NON RESIDENT INDIAN		871	17,40,337	0	0	17,40,337	0.09	17,40,337	0			0	0.09	0	0.00	NA	NA	17,38,237
	NON REPATRIABLE																		
	NON RESIDENT INDIAN		2,297	30,65,729	0	0	30,65,729	0.16	30,65,729	0	30,65,729	0.16	0	0.16	0	0.00	NA	NA	30,65,729





Category	Category & Name of the Shareholder	PAN	No of Sharehold ers	No of fully paid up equity shares held	No of Partly paid-up equity shares held				Number of Vo	s of s	Rights		Shares Underlyi ng Outstanding convert- tible secure- ties (Inclu-	assuming full conver-	No. As a % of total Shares	Share pledged otherw encumber No. As of Sh	es d l or ise d	Number of equity shares held in lematerialized form
	(I)	(II)	(III)	(IV)	( <b>V</b> )	(VI)	(VII)	(VIII)			<b>X</b> )		(X)	(XI)	(XII)	(XIII		(XIV)
	TRUSTS		35	33,30,813	0	0	33,30,813	0.17	33,30,813	0	33,30,813			0.17	0 0.00		NA	33,30,813
	CLEARING MEMBERS		364	, , - ,	0	0	1,08,45,111	0.55	1,08,45,111	0	1,08,45,111	0.55		0.55	0 0.00		NA	1,08,45,111
	Sub Total (B)(3)			19,77,89,992	0	-	19,77,89,992	10.02	, , ,		19,77,89,992			10.02	0 0.00			19,77,23,675
	Total Public Shareholding $(B) = (B)(1)+(B)(2)+(B)(3)$		2,79,104	77,73,82,640	0	0	77,73,82,640	39.36	77,73,82,640	0	77,73,82,640	39.36	0	39.36	0 0.00			77,73,16,323



Table IV: Statement showing shareholding pattern of Non Promoter-Non Public Shareholder

Category	Category & Name of Shareholder	PAN	No of Share- holder	No of Fully Paid up Equity Shares held	No of partly paid up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares held (IV+V+ VI)	Share- holding As a % of Total No of shares (A+B+ C2)		ights	of Votin held in of Secur	each	No of Shares Underlying Outstanding Convertible Securities (including Warrants)	Share Holding as % assuming Full Conversion of convertible securities (% of Diluted share capital	Nu of l	ımber locked shares	of pleo oth enc	ımber shares dged or terwise umber- red	Number of equity shares held in demateria- lized
form									] 1	Righ		Total as a % of (A+B +C)			No.	As a % of total	No.	As a % of total Shares held	
									Class X	Clas Y	ss Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)			(IX)		(X)	(XI)	_C	XII)	_(:	XIII)_	(XIV)
(1)	Custodian/DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	0		0 0
(2)	Employee Benefit Trust (under SEBI Share based Employee Benefit) Regular		0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0		0 0
	Total:		0	0	0	0.00	0.00	0.00	0.0	0	0.00	0	0	0.00	0	0.0	0	0.0	0.00

# NOTE:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to disclose name of all holders more than 1% of total numbers of share
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



# Except as set forth below, none of our Directors hold any Equity Shares as on March 29, 2017

1. Dr. P. V. Ramesh - Nil

2. Mr. Ajeet Kumar Agarwal - 242 Equity Shares

3. Mr. Sanjeev Kumar Gupta Nil Dr. Arun Kumar Verma 4. NIL 5. Mr. Arun Singh **NIL** Mr. Aravamudan Krishna Kumar 6. **NIL** Mr. T.T. Ram Mohan 7. NIL Smt. Asha Swarup NIL

# Our top ten shareholders and the number of Equity Shares held by them, as on December 31, 2016 are as follows:

S.No	Name	Shares	% To Equity	Category
1	PRESIDENT OF INDIA	1197535360	60.64%	POI
2	LIFE INSURANCE CORPORATION OF INDIA	141931939	7.19%	INS
3	EASTSPRING INVESTMENTS (SINGAPORE) LIMITED A/C THE	31094347	1.57%	FII
4	EAST BRIDGE CAPITAL MASTER FUND LIMITED	17671760	0.89%	FPI
5	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	14854000	0.75%	MUT
6	MORGAN STANLEY MAURITIUS COMPANY LIMITED	13490473	0.68%	FPI
7	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	12748000	0.65%	MUT
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND ASERIE	12149864	0.62%	FII
9	EASTSPRING INVESTMENTS INDIA EQUITY OPEN LIMITED	12085986	0.61%	FII
10	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	9551254	0.48%	IFI
	Total	1463112983	74.08%	

## List of Top ten Bondholders of the Company as on December 31, 2016:

S. No.	Name	Total face value amount of bonds held in ₹
1.	LIFE INSURANCE CORPORATION OF INDIA	1,28,48,30,00,000
2.	CBT EPF	95,94,10,00,000
3.	STATE BANK OF INDIA	45,30,00,00,000
4.	RELIANCE CAPITAL TRUSTEE CO LTD	22,44,80,00,000
5.	COAL MINES PROVIDENT FUND ORGANISATION	19,43,80,00,000
6.	HDFC TRUSTEE COMPANY LTD	14,42,80,00,000
7.	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	14,39,40,00,000
8.	NPS TRUST- PENSION FUND SCHEME	13,41,70,00,000
9.	PUNJAB NATIONAL BANK	12,45,60,00,000
10.	THE STATE BANK OF INDIA EMPLOYEES PROVIDENT FUND	10,30,00,00,000

No Equity Shares of the Company as on **December 31, 2016**, are pledged or otherwise encumbered by the Promoters.



Our Company has not undertaken any acquisition or amalgamation in the last one year prior to filing of this Private Placement Offer Letter.

Our Company has not undergone any reorganization or reconstruction in the last one year prior to issue of this Private Placement Offer Letter.

Other than debt securities issued by the Company, outstanding as on **December 31, 2016** as detailed below, our Company has not issued any debt securities:

- for consideration other than cash;
- at a premium or a discount; and/or
- in pursuance of an option.

## (i) Zero Coupon Bonds:

Sr. No	. Instrument Type	Date of Issuance	Number of Bonds/instrum ents	Face Value per Bond (₹)	Discount Per Bond (₹)
1	Zero Coupon Bonds	December 15, 2010	3,92,700	30,000	16,422
2	Zero Coupon Bonds	February 03, 2011	89,510	30,000	17,033

# (ii) Foreign Currency Bonds:

Sr. No.	Instrument Type	Date of Issuance	Issue Size	Issue Value (%)	Discount (%)
1.	International Bonds	March 07, 2012	CHF 200 million	99.932	0.068

# (iii) Commercial Papers

S.No.	Date of Issue/ Value Date	Number of Commercial Papers (CP/s) issued	Face Value per CP (₹)	Discount Per CP (₹)
1.	December 01, 2016	40,000	5,00,000	5070

## (iv) Bonds issued at premium

Sr. No.	Date Of Issuance/Value Date	Number of Bonds/ instrument	Face Value per Bond (₹)	Premium per Bond (₹)
1.	November 29, 2012	500	1000000	1000
2.	August 29,2013	13500	1000000	726
3.	October 11, 2013	1500	1000000	1727
4.	July 23, 2015	3000	1000000	954

Amount of corporate guarantees issued by the Issuer in favour of various counter parties including its Subsidiaries, Joint Venture entities, Group Companies etc. – Nil

## FINANCIAL INDEBTEDNESS (ON STANDALONE BASIS)

Set forth below is a brief summary of our Company's significant outstanding secured borrowings of ₹62834.99 crores and unsecured borrowings of ₹104395.93 crores, as on December 31, 2016 together with a brief description of certain significant terms of such financing arrangements.



# (1) Secured term loans from banks and financial institutions availed by our Company

(All figures are in (₹) crores, except in percentages)

					(An figures are in (		
Sr. No.	Name of the Lender	Loan documentation	Facility/ Amount Sanctioned (₹crores)	Amount outstandin g (₹crores)	Rate of interest (%)	Repayment Date/Schedule	Security
				as on December 31, 2016			
1	LIC	Term loan Agreement dated August 6, 2004	2000.00	600.00	7.35 being 48 annualized G-Sec for 10 years + 100 bps, for a period of seven days reckoned two working days prior to the date of disbursement.	Repayable in 10 equal annual instalments after a moratorium of 5 years starting from October 1, 2010	The term loan is secured by a charge on the receivables of our Company, both present and future, save and except certain specific
2	LIC	Term loan Agreement dated March 24, 2004	500.00	50.00	6.231 being average 10 years' G-Sec for a period of seven days reckoned two working days prior to the date of disbursement.	Repayable in 10 equal annual instalments after a moratorium of 5 years starting from October 1, 2008	receivables hypothecated to IL&FS Trust Company Limited ("ITCL"), and the security trustee for the
3	LIC	Term loan Agreement dated January 29, 2004	1000.00	100.00	6.242 being average 10 years G-Sec reckoned from one week prior to the date of disbursement.	Repayable in 10 equal annual instalments after a moratorium of 5 years starting from October 1, 2008	charged receivables is ITSL on the basis of joint hypothecation agreement last updated on September 24, 2010.
	Total of Tern	1 Loans from bank	ks and	750.00			
	financial insti	itutions					

# (2) Unsecured loans availed by our Company

Set forth below is a brief summary of our outstanding unsecured borrowings.

					(All figures are in	(₹) crores, except in percentages)						
Sr. No.	Name of the Lender	Loan documentation	Facility/Am ount Sanctioned (₹crores)	Amount outstanding, as on December 31, 2016	Rate of interest (% p.a.)	Repayment Date/ Schedule						
A.	Unsecured To Nil	erm Loans;										
B.	Unsecured Long term loans availed by our Company from the MoF Nil											
C.	Foreign Curr	ency Borrowings										
1	Japan Bank for International Cooperation	Loan Agreement No. ID-P169 dated March 31, 2006 (1)	JPY 16,949 million (Revised wef August 29, 2012)	₹300.50 crores i.e. JPY 5161.37 million	0.75%	15 years tenor with a moratorium of 5 years. Repayable in semi-annual equal instalments beginning March 20, 2011 of JPY 982.34 million, and instalment on Sep 20, 2018 of JPY 638.94 million & Instalment of JPY 148.27 million each from						



Sr. No.	Name of the Lender	Loan documentation	Facility/Am ount Sanctioned (₹crores)	Amount outstanding, as on December 31, 2016	Rate of interest (% p.a.)	Repayment Date/ Schedule
						March 20, 2019 till March 20, 2021
2	Japan Bank for International Cooperation	Loan Agreement No ID-P190 dated March 10, 2008 (1)	JPY 11,809 million (Revised wef March 31, 2016)	₹223.96 crores i.e. JPY 3846.81 million	0.65%	15 years tenor with a moratorium of 5 years. Repayable in semi-annual equal instalments beginning March 20, 2013 of JPY 995.34 million, and instalment on Sep 20, 2017 of JPY 777.11 million & Instalment of JPY 188.58 million each from March 20, 2018 till March 20, 2023
3	KfW, Frankfurt am Main^	Loan Agreement dated August 8, 2006 <sup>(1)</sup>	Euro 70 million	₹105.54 crores i.e. Euro 14.74 million	3.73%	12 years tenor with a moratorium of 3 years. Repayable in 19 semi-annual instalments beginning December 30, 2009
4	KfW, Frankfurt am Main ^	Loan agreement dated March 16, 2009(1)	Euro 70 million	₹222.82 crores i.e. Euro 31.11 million	2.89%	12 years tenor with a moratorium of 3 years. Repayable in 18 semi-annual instalments beginning June 30, 2012
5	KfW, Frankfurt am Main^	Loan agreement dated March 30, 2012 (1)	Euro 100 million	₹565.41 crores i.e. Euro 78.95 million	1.86%	12 years tenor with a moratorium of 3 years. Repayable in 19 semi-annual instalments beginning June 30, 2015
6	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated March 6, 2012	JPY 19,029 million	₹1,107.87 crores i.e. JPY 19,029 million	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated March 6, 2012
7	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated November 22, 2013	USD 285 million	₹1936.71 crores i.e. USD 285 million	6 months USD LIBOR plus 1.50%	5 years Tenor. Repayable USD 285 Million on December 02, 2018
8	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated May 21, 2014	USD 250 million	₹1698.87 crores i.e. USD 250 million	6 months USD LIBOR plus 1.70%	5 years Tenor. Repayable USD 250 Million on May 29, 2019
9	Syndicated Unsecured Borrowings	Syndication and Amendment Agreement dated October 16, 2014	USD 400 million	₹2718.19 crores i.e. USD 400 million	6 months USD LIBOR plus 1.50%	5 years Tenor. Repayable USD 230 Million &USD 170 Million on July 24, 2019 and October 27, 2019 respectively
10	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated March 02, 2015	USD 400 million	₹2718.19 crores i.e. USD 400 million	6 months USD LIBOR plus 1.17%	5 years Tenor. Repayable USD 400 Million on March 12, 2020
11	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated July 17, 2015	USD 300 million	₹2038.64 crores i.e. USD 300 million	6 months USD LIBOR plus 1.00%	5 years Tenor. Repayable USD 300Million on July 29, 2020
12	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated September 04, 2015	USD250 million	₹1698.87 crores i.e. USD 250 million	6 months USD LIBOR plus 0.70%	3 years Tenor. Repayable USD 150 Million on September 18, 2018 and USD 100 Million on November 19, 2018.
13	Syndicated	Syndicated	USD 300	₹2038.64	6 months USD	5 years Tenor. Repayable USD



Sr. No.	Name of the Lender	Loan documentation	Facility/Am ount Sanctioned (₹crores)	outstanding, as on December 31, 2016	Rate of interest (% p.a.)	_ Repayment Date/ Schedule _
	Unsecured Borrowings	Facility Agreement dated November16, 2015	million	crores i.e. USD 300 million	LIBOR plus 1.05%	300 Million on December01, 2020
14	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated January 27, 2016	USD 250 million	₹1698.87 crores i.e. USD 250 million	6 months USD LIBOR plus 0.65%	3 years Tenor. Repayable USD 250 Million on February 05, 2019
15	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated March 11, 2016	USD 120 million	₹815.46 crores i.e. USD 120 million	6 months USD LIBOR plus 0.95%	3 years Tenor. Repayable USD 120 Million on March 21, 2019
16	Bilateral Unsecured Borrowings	Bilateral Facility Agreement dated Sept 26, 2016	USD 100 million	₹679.55 crores i.e. USD 100 million	3 months USD LIBOR plus 0.80%	5 years Tenor. Repayable USD 100 Million on Oct 05, 2021
17	International Bond	Rural Electrification Corporation Limited 3.5% Bonds 2012 – 2017 of CHF 200 million	CHF 200 million	₹1333.58 crores i.e. CHF 200 million	3.50% pa	5 Years Tenor, Repayable on March 7, 2017
	Total Unsecured and other Institu	Loans from MoF, For	eign Banks	21901.65		
	Total Unsecured	1 Loans - (2) (A + B + C)	C)	21901.65		

<sup>\*\*</sup> These loans were sanctioned for relending to the state governments to be used for relending to state governments/state electricity board for rural electrification programme in the state plans under the 'Minimum Needs Programme'. There is a rebate of 0.25% for prompt repayment or interest payments on these loans.

# (3) Secured & Unsecured Bonds issued by our Company

(All figure	s are in ₹	crores	excent	in percentages	١

(All figures are in verores, except in percentages)									500)	
S. No.		Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
A.	Secured ta	xable bo	onds							See
	Set forth be	low is a	brief summar	v of our secu	red outstanding	taxable bon	ıds.			Below
				•	C	,				Table
1	Secured	Janua	314.80	314.80	8.85	10 years	Redeemabl	CRISIL:	Secured	
	non-	ry			payable		e at par on	AAA/Stab		
	convertible	20,			annually		the expiry	le;		
	redeemable	2007			•		of 10 years	CARE:		
	'taxable						from the	CARE		
	bonds –						date of	AAA;		
	2017' ('81 <sup>st</sup>						allotment.	FITCH:		
	Series') in						January 20,	AAA(ind)		
	the nature of	•					2017			
	debentures.									
2	Secured	Septe	883.10	883.10	9.85	10 years	Redeemabl	CRISIL:	Secured	
	non-	mber			payable		e at par on	AAA/Stab		
	convertible	28,			annually		the expiry	le;		
	redeemable	2007					of 10 years	ICRA:		

<sup>(1)</sup> The loan shall be utilized only for such purposes for which the facility has been granted and is secured by a guarantee provided by the Republic of India, represented by its President for the entire amount

<sup>^</sup> Our Company has also entered into three financing agreements with KfW, dated August 8, 2006, March 16, 2009 and March 30, 2012 for a grant of Euro 500,000 each, to be utilized for strengthening the power distribution companies by capacity building measures initiated by our Company. The amount received by our Company under this agreement is not repayable except in the event that (a) certain obligations cast upon our Company are violated, or (b) the said amount is not used for the stipulated purpose(s).



S. No.		Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	'taxable bonds – 2017' ('82 <sup>nd</sup> Series') in the nature of debentures						from the date of allotment. September 28, 2017	LAAA; FITCH: AAA(ind)		
3	Secured non-convertible redeemable 'taxable bonds – 2018' ('83 <sup>rd</sup> Series') in the nature of debentures	Febr uary 28, 2008	685.20	685.20	9.07 payable annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment.	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
4	Secured non-convertible redeemable 'taxable bonds – 2018' ('85 <sup>th</sup> Series') in the nature of debentures.	June 13, 2008	500.00	500.00	9.68 payable annually	5 years	Redeemabl e at par on the expiry of 10 years from the date of allotment. June 13, 2018	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
5	Secured non-convertible redeemable 'taxable bonds – 2018' ('86 <sup>th</sup> A Series') in the nature of debentures	July 29, 2008	500.00	500.00	10.70 payable annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment. July 29, 2018	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
6	Secured non-convertible redeemable 'taxable bonds – 2018' ('86 <sup>th</sup> B – III Series') in the nature of debentures.	Augu st 14, 2008	432.00	432.00	10.85 payable annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment. August 14, 2018	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
7	Secured non- convertible redeemable 'taxable bonds – 2018' ('87 <sup>th</sup> – II Series') in the nature of	Septe mber 30, 2008.	657.40	657.40	10.85 payable annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment September3 0,2018	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) A	Secured	



S. No.		Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	debentures.									
8	Secured non-convertible redeemable 'taxable bonds – 2018' ('87 <sup>th</sup> A – III Series') in the nature of debentures.	Octo ber 24, 2008	61.80	61.80	11.15payabl e annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment. October 24, 2018	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
9	Secured non-convertible redeemable 'taxable bonds – 2019' ('88 <sup>th</sup> Series') in the nature of debentures	Janua ry 15, 2009	1495.00	1495.00	8.65 payable annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment. January 15, 2019	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
10	Secured non-convertible redeemable 'taxable bonds – 2019' ('90 <sup>th</sup> Series') in the nature of debentures	Augu st 3, 2009	2000.00	2000.00	8.80 payable annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment. August 03, 2019	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
11	Secured non-convertible redeemable 'taxable bonds – 2019' ('90 <sup>th</sup> B Series-II') in the nature of debentures	Septe mber 4, 2009	868.20	868.20	8.72 payable annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment. September 04, 2019	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
12	Secured non-convertible redeemable 'taxable bonds – 2019' ('90 <sup>th</sup> C Series-II') in the nature of	Octo ber 6, 2009	1040.00	1040.00	8.80, payable annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment. October 6, 2019	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	



S. No		Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
13	debentures. Secured non- convertible redeemable 'taxable bonds – 2019' ('91st Series- II') in the nature of debentures	Nove mber 17, 2009	995.90	995.90	8.80 payable annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment. November 17, 2019	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
14	Secured non- convertible redeemable 'taxable bonds – 2020' ('92nd Series- II') in the nature of debentures	Janua ry 22, 2010	945.30	945.30	8.65 payable annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment. January 22, 2020	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
15	Secured non- convertible redeemable 'taxable bonds – 2018' ('116 Series- II') in the nature of debentures	Octo ber 17, 2013	850.00	850.00	9.24 payable annually	5 years	Redeemabl e at par on the expiry of 5 years from the date of allotment. October 17, 2018	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
16	Secured non- convertible redeemable 'taxable bonds – 2018' ('117 Series') in the nature of debentures	Nove mber 06, 2013	2878.00	2878.00	9.38 payable annually	5 years	Redeemabl e at par on the expiry of 5 years from the date of allotment. November 06, 2018	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
17	Secured non- convertible redeemable 'taxable bonds – 2019' ('118 Series') in the nature of debentures	Janua ry 03, 2014	1655.00	1655.00	9.61 payable annually	5 years	Redeemabl e at par on the expiry of 5 years from the date of allotment. January 03, 2019	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
18	Secured non- convertible redeemable	Febr uary 05, 2014	2090.00	2090.00	9.63 payable annually	5 years	Redeemabl e at par on the expiry of 5 years	CRISIL: AAA/Stab le; CARE:	Secured	



S. No		Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	'taxable bonds – 2019' ('119 Series') in the nature of debentures						from the date of allotment. February 05, 2019	CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
19	Secured non- convertible redeemable 'taxable bonds – 2017' ('120 Series') in the nature of debentures	Marc h 10, 2014	1100.00	1100.00	9.67 payable annually	3 years	Redeemabl e at par on the expiry of 3 years from the date of allotment. March 10, 2017	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
20	Secured non- convertible redeemable 'taxable bonds – 2017' ('121 Series') in the nature of debentures	Marc h 26, 2014	1600.00	1600.00	9.52 payable annually	3 years	Redeemabl e at par on the expiry of 3 years from the date of allotment. March 26, 2017	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
21	Secured non-convertible redeemable 'taxable bonds – 2019' ('122 Series') in the nature of debentures	June 18, 2014	1700.00	1700.00	9.02 payable annually	5 years	Redeemabl e at par on the expiry of 5 years from the date of allotment. June 18, 2019	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
22	Secured non- convertible redeemable 'taxable non-priority sector bonds -('123 Series Tranche 1') in the nature of debentures	July 17, 2014	1515.00	1515.00	9.40 payable annually	7 years	Redeemabl e at par on the expiry of 7 years from the date of allotment. July 17, 2021	CRISIL: AAA/ST ABLE; CARE:C ARE AAA; ICRA: [ICRA] AAA; IRPL: IND AAA	Secured	
23	Secured non- convertible redeemable 'taxable non-priority sector bonds -('123 Series Tranche 3')	Augu st 25, 2014	1275.00	1275.00	9.25 payable annually	3 years	Redeemabl e at par on the expiry of 3 years from the date of allotment. August 25, 2017	CRISIL: AAA/ST ABLE; CARE:C ARE AAA; ICRA: [ICRA] AAA; IRPL:	Secured	



S. No.		Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	Option I in the nature of debentures	f						IND AAA		
24	Secured non-convertible redeemable 'taxable non-priority sector bonds – ('123 Series Tranche 3') Option II in the nature of debentures	3	1955	1955	9.34 payable annually	10 years	Redeemabl e at par on the expiry of 10 years from the date of allotment. August 25, 2024	CRISIL: AAA/ST ABLE; CARE:C ARE AAA; ICRA: [ICRA] AAA; IRPL: IND AAA	Secured	
25	Secured non-convertible redeemable 'taxable non-priority sector bonds – ('124 Series Tranche 1') in the nature of debentures	5	2610	2610	9.06 payable annually	3 years	Redeemabl e at par on the expiry of 3 years from the date of allotment. September 23, 2017	CRISIL: AAA/ST ABLE; CARE:C ARE AAA; ICRA: [ICRA] AAA; IRPL: IND AAA	Secured	
	l Secured Bor			30606.70						
B.	Set forth be the IT Act,	ins tax exelow is a together	xemption bor brief summa	ry of our out description of	certain signific	l gains tax e	e Tax Act exemption bond f such financing			
1.	Secured non-convertible redeemable taxable - 54 EC long term capital gains tax exemption bonds Series IX' issued in Fiscal 2014	On Tap Basis	1884.784	1884.784	6.00 payable annually	3 years	Redemptio n at par on the expiry of 3 years from the Deemed Date of Allotment.	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind)	Secured	
2.	Secured non-converti	On Tap Basis	5,337.782	5,337.782	6.00 payable annually	3 years	Redemptio n at par on the expiry	CRISIL: AAA/Stab le;	Secured	



Bonds	Allot- ment	of bonds (₹crores)	outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
ble redeems ble taxable 54 EC long term capital gains ta exempti on bonds Series IX' issued i Fiscal 2015	- x					of 3 years from the Deemed Date of Allotment. **	CARE: CARE AAA; FITCH: AAA(ind)		
3 Secured non-convert ble redeems ble taxable 54 EC long term capital gains ta exemption bonds Series X' issued i Fiscal 2016	Tap Basis	6476.700	6476.700	6.00 payable annually	3 years	Redemptio n at par on the expiry of 3 years from the Deemed Date of Allotment. **	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind)	Secured	
4 Secured non-convertible redeems ble taxable 54 EC long term capital gains ta exemption bonds Series X' issued i Fiscal 2017	Tap Basis	5130.614	5130.614 18829.88	6.00 payable annually	3 years	Redemptio n at par on the expiry of 3 years from the Deemed Date of Allotment. **	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind)	Secured	



S. No.	Nature of the	Date of Allot-	Total value of bonds	Amount outstanding, As on	Interest Coupon	Tenor/ Period of	Redemption Date/	Credit	Secured/	Secu
-	Bonds	ment	(₹crores)	December 31, 2016	rate (%)	maturity	Schedule	Rating	Unsecured	rity
Exen	nption Bon	ds U/S 54	EC	31, 2010						
C.	Secured T	ax Free	Bonds under		5)(iv)(h) of the					
							ued under Sect f such financin			
			BSE and/or N		certain signific	ant terms of	such illianem	ig arrangeme	iits. These	
1.	Tax Free Secured Redeem able Non	March 27, 2012	3,000.00	3,000.00	Category I & II – Series I 7.93%	10 years	Redemptio n at par on the expiry of 10 years	CRISIL: AAA/ Stable; CARE:	Secured	
	Converti ble						from the date of allotment.	CARE AAA; FITCH:		
	Bonds, in the nature of debentur es.				Category I & II – Series II 8.12 %	15 years	Redemptio n at par on the expiry of 15 years from the date of allotment.	AAA(ind) ICRA: LAAA		
					Category III – Series I 8.13 %	10 years	Redemptio n at par on the expiry of 10 years from the date of allotment.			
					Category III – Series II 8.32 %	15 years	Redemption at par on the expiry of 15 years from the date of allotment.			
2.	Series 2- A Tax free secured redeema ble non- convertib le bonds	Nove mber 21, 2012	255.00	255.00	7.21% p.a.	10 years	November 21, 2022	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
3.	Series 2- B Tax free secured redeema ble non- convertib le bond	Nove mber 21, 2012	245.00	245.00	7.38% p.a.	15 years	November 21, 2027	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
4.	Series 2012-13 Tranche - 1 Tax free secured redeema	Dece mber 19, 2012	2017.35	2017.35	7.38% p.a.	15 years	December 19, 2027	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH:	Secured	



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	ble non- convertib le bonds							AAA(ind) ICRA: LAAA		
5.	Series 2012-13 Tranche – 1 Ts				7.22% p.a.	10 years	December 19, 2022	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
6.	Series 2012-13 Tranche - 2 Tax free secured redeema ble non- convertib le bonds	Marc h 25, 2013	131.06	131.06	6.88% p.a.	10 years	March 25, 2023	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
7.	Series 2012-13 Tranche - 2 Tax free secured redeema ble non- convertib le bonds	Marc h 25, 2013			7.04% p.a.	15 years	March 25, 2028	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
8.	Series 3A Tax free secured redeema ble non- convertib le bonds	Augu st 29, 2013	209.00	209.00	8.01% p.a.	10 years	August 29, 2023	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
9.	Series 3B Tax free secured redeema ble non- convertib le bonds		1141.00	1141.00	8.46% p.a.	15 years	August 29, 2028	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
10.	Series 1A - 2013-14 Tranche	Septe mber 24, 2013	3440.60	3440.60	8.01%	10 years	September 24, 2023	CRISIL: AAA/ Stable; CARE:	Secured	



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	- 1 Tax free secured redeema ble non- convertib le bonds							CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
11.	Series 2A - 2013-14 Tranche - 1 Tax free secured redeema ble non- converti ble bonds				8.46%	15 years	September 24, 2028	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
12.	Series 3A - 2013-14 Tranche - 1 Tax free secured redeema ble non- convertib le bonds				8.37%	20 years	September 24, 2033	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
13.	Series 1B - 2013- 14 Tranche - 1 Tax free secured redeema ble non- convertib le bonds				8.26%	10 years	September 24, 2023	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
14.	Series 2B - 2013- 14 Tranche - 1 Tax free secured redeema ble non- convertib le bonds				8.71%	15 years	September 24, 2028	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
15.	Series 3B -2013-14 Tranche - 1 Tax free secured				8.62%	20 years	September 24, 2033	CRISIL: AAA/ Stable; CARE: CARE AAA;	Secured	



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	redeema ble non- convertib le bonds							FITCH: AAA(ind) ICRA: LAAA		
16.	Series 4A Tax free secured redeema ble non- convertib le bonds	Octob er 11, 2013	105.00	105.00	8.18% p.a.	10 years	October 11, 2023	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
17.	Series 4B Tax free secured redeema ble non- convertib le bonds	Octob er 11, 2013	45.00	45.00	8.54% p.a.	15 years	October 11, 2028	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
18.	Series 1A – 2013-14 Tranche 2 Tax free secured redeema ble non- convertib le bonds	Marc h 24, 2014	1059.40	1059.40	8.19%	10 years	March 24, 2024	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
19.	Series 2A – 2013-14 Tranche 2 Tax free secured redeema ble non- convertib le bonds				8.63%	15 Years	March 24, 2029	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
20.	Series 3A – 2013-14 Tranche 2 Tax free secured redeema ble non- convertib le bonds				8.61%	20 Years	March 24, 2034	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
21.	Series 1B - 2013- 14 Tranche 2 Tax free secured redeema ble non- convertib le bonds				8.44%	10 Years	March 24, 2024	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
22.	Series 2B - 2013- 14 Tranche 2 Tax free secured redeema ble non- convertib le bonds				8.88%	15 Years	March 24, 2029	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
23	Series 3B - 2013- 14 Tranche 2 Tax free secured redeema ble non- convertib le bonds				8.86%	20 Years	March 24, 2034	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
24	Series 5A Tax free secured redeema ble non- converti ble bonds	July 23, 2015	300.00	300.00	7.17%	10 years	July 23, 2035	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
25	Series 1A – 2015-16 Tranche 1 Tax free secured redeema ble non- convertib le bonds	Nove mber 05, 2015	700	700	6.89%	10 years	November 05, 2025	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
26	Series 2A – 2015-16 Tranche				7.09%	15 Years	November 05, 2030	CRISIL: AAA/ Stable; CARE:		



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	1 Tax free secured redeema ble non- convertib le bonds							CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
27	Series 3A – 2015-16 Tranche 1 Tax free secured redeema ble non- convertib le bonds				7.18%	20 Years	November 05, 2035	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
28	Series 1B - 2015- 16 Tranche 1 Tax free secured redeema ble non- convertib le bonds				7.14%	10 Years	November 05, 2025	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
29	Series 2B - 2015- 16 Tranche 1 Tax free secured redeema ble non- convertib le bonds				7.34%	15 Years	November 05,2030	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
30	Series 3B - 2015- 16 Tranche 1 Tax free secured redeema ble non- convertib le bonds red Tax Fr	D		12648.41	7.43%	20Years	November 05,2035	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		

# Security Details of the Secured Borrowings -

• The Bond Series 81, 82, 83, 85, 86A, 86 B-III, 87-II, 87 A-III, 88, 90, 90 B-II, 90 C-II, 91-II, 92-II of Institutional Bonds are secured by a charge on (a) mortgage of Flat no. 640, Asian Games Village, New Delhi 110 049, India and (b) pari-passu charge on the receivables of our Company, both present and future, save and except receivables hypothecated to IL&FS Trust Company Limited on the basis of joint hypothecation agreement dated September 24, 2010 in favour of IDBI Trusteeship Services Ltd.



S. No	. of the	Allot-	Total value of bonds (₹crores)	As on	Coupon	Period of		Credit Rating	Secured/ Unsecured	
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- The bond series 116-II, 117,118,119,120,121, 122 is secured by first pari-passu charge on the book debts of the issuer both present & future which are charged to other lender/trustee and as may be agreed between the issuer & the trustee IDBI Trusteeship Services Ltd., pursuant to the terms of debenture/bond trust cum hypothecation deed with a minimum security cover of one time of the aggregate face value of the bonds outstanding at all times.
- The Bond Series 123-1, 123-3, 124-1 of Institutional Bonds and Series IX of 54EC Capital Gain Tax Exemption Bonds are secured by mortgage way of first pari-passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 584P, situated at Village Subhanpura, Distt. Vadodara and (b.) the book debts of the Issuer which are charged to other lender / trustee and as may be agreed between the Issuer and the Trustee, pursuant to the terms of the Bond Trust Deed with a minimum security cover of one time of the aggregate face value of amount of bonds outstanding at all times and amount of interest due thereon in favor of IDBI Trusteeship Services Ltd.
- Tax Free Bonds (issued during FY 2011-12) are secured by first pari-passu charge on premises at Shop no. 12, Ground floor, Block no. 35, Church road, Mylapore, Chennai and hypothecation of receivables of ₹4,998.66crores of MSEDCL in favour of IL&FS Trust Co. Ltd.
- Tax Free Bonds (issued during FY 2012-13 and during FY 2015-16) and Series X of 54EC Capital Gain Tax Exemption Bonds are secured by first pari-passu charge on (a) mortgage of premises at sub-plot no. 8, TPS No.2, FP No. 584P, situated at village Subhanpura, distt. Vadodara and (b) hypothecation of receivables in favour of SBI Cap Trustee Co. Ltd.
- Tax Free Bonds (issued during FY 2013-14) are secured by first pari-passu charge on hypothecation of receivables in favour of SBI Cap Trustee Co. Ltd.
- All the term loans are secured by a charge on the receivables of the company, both present & future, save & except certain specific receivables hypothecated to IL&FS Trust Co. Ltd. on the basis of joint hypothecation agreement last updated on Sept. 24, 2010.

ĺ	D.	Unsecured	d bonds is	sued by our	Company									
		Set forth b	below is a	brief summa	ry of certain	of our	other	outstanding	unsecured	bonds	. These b	onds	are listed	on the
		whole sale	debt mar	ket segment i	n the NSE/BS	SE.								
r														

1	'94th Taxable non- priority sector bond'	June 08, 2010	1250.00	1250.00	8.75 payable yearly.	15 years	June 08, 2025	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	-
2	'95th–I Taxable non- priority sector bond'	July 12, 2010	200.00	200.00	8.70 payable yearly.	9 years	July 12, 2019	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(Ind) ICRA: LAAA	Unsecur ed	-
3	'95th -II Taxable non- priority sector bond'	July 12, 2010	1800.00	1800.00	8.75 payable yearly.	15 years	July 12, 2025	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	-
4	'96th Taxable non- priority sector	Octob er 25, 2010	1150.00	1150.00	8.80 payable yearly.	10 years	October 25, 2020	CRISIL: AAA/Stab le; CARE: CARE	Unsecur ed	-



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds _(₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	bond'							AAA; FITCH: AAA(ind) ICRA: LAAA		
5	'97th Taxable non- priority sector bond'	Nove mber 29, 2010	2120.50	2120.50	8.80 payable yearly.	10 years	November 29, 2020	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	-
6	'ZCB-I Taxable non- priority sector bond'	Dece mber 15, 2010	533.21 at issue price	862.04	8.25 (yield)	10 years	December 15, 2020	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	-
7	'ZCB-II Taxable non- priority sector bond'	Febru ary 03, 2011	116.07 at issue price	190.72	8.75 (yield)	10 years	February 03, 2021	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	-
8	'98th Taxable non- priority sector bond'	March 15, 2011	3000.00	3000.00	9.18 payable yearly.	10 years	March 15, 2021	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur	-
9	'100th Taxable non- priority sector bond'	July 15, 2011	1500.00	1500.00	9.63 payable yearly.	10 years	July 15, 2021	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRORES A: LAAA	Unsecur ed	-
10	'101st- III Taxable non-	Augus t 10, 2011	3171.80	3171.80	9.48 payable yearly.	10 years	August 10, 2021	CRISIL: AAA/Stab le; CARE:	Unsecur ed	-



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	priority sector bond'							CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
11	'105th Taxable non- priority sector bond'	Nove mber 11, 2011	3922.20	3922.20	9.75 payable yearly.	10 years	November 11, 2021	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	-
12	'106th Taxable non- priority sector bond'	Febru ary 15, 2012	1500.00	1500.00	9.28 payable yearly.	5 years	February 15, 2017	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur	-
13	'107th Taxable non- priority sector bond'	June 15, 2012	2378.20	2378.20	9.35% p.a. payable yearly.	10 years	10 Years June 15, 2022	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind)	Unsecur ed	-
14	'108th – I Taxable non- priority sector bond'	July 20, 2012	2125.00	2125.00	9.40% p.a. payable yearly	5 years	5 Years July 20, 2017	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	-
15	'108th – II Taxable non- priority sector bond'	July 20, 2012	960.00	960.00	9.39% p.a. payable yearly	7 years	7 Years July 20, 2019	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	-
16	'109th Taxable non- priority sector	Augus t 27, 2012	1734.70	1734.70	9.25% p.a. payable yearly	5 years	5 Years August 27, 2017	CRISIL: AAA/Stab le; CARE: CARE	Unsecur ed	-



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds _(₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	bond'							AAA; FITCH: AAA(ind) ICRA: LAAA		
17	'111th—I Taxable non- priority sector bond'	Nove mber 19, 2012	452.80	452.80	9.02% p.a.	7 years	November 19, 2019	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	-
18	'111th – II Taxable non- priority sector bond'	Nove mber 19, 2012	2211.20	2211.20	9.02% p.a.	10 years	November 19, 2022	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	-
19	'112th Taxable non- priority sector bond'	Feb 01, 2013	1500.00	1500.00	8.70% p.a.	5 years	Feb 01, 2018	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	-
20	'113th Taxable non- priority sector bond'	March 08, 2013	1542.00	1542.00	8.87% p.a.	7 years	March 08, 2020	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur	-
21	'114th Taxable non- priority sector bond'	April1 2, 2013	4300.00	4300.00	8.82% p.a.	10 years	April12, 2023	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	
22	'115th Taxable non- priority	May3 1, 2013	2500.00	2500.00	8.06% p.a.	10 years	May31, 2020	CRISIL: AAA/Stab le; CARE:	Unsecur ed (Sub-	-



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds _(₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	sector bond'							CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Debt)	
23	'125th Taxable non- priority sector bond'	Octob er 13, 2019	3000.00	3000.00	9.04%	5 years	October 12, 2019	CRISIL: AAA/Stab le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecur ed	
24	'126th Taxable non- priority sector bond'	Nove mber 13, 2014	1700.00	1700.00	8.56%	5 years	November 13, 2019	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur	
25	'127th Taxable non- priority sector bond'	Dece mber 04, 2014	1550.00	1550.00	8.44%	7 years	December 04, 2021	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur ed	
26	'128th Taxable non- priority sector bond'	Dece mber 22, 2014	2250.00	2250.00	8.57%	10 years	December 21, 2024	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur	
27	'129th Taxable non- priority	Januar y 23, 2015	1925.00	1925.00	8.23%	10 years	January 23, 2025	CRISIL:C ARE: CARE AAA;	Unsecur ed	



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
	sector bond'							CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable		
28	'130th Taxable non- priority sector bond'	Febru ary 6, 2015	2325.00	2325.00	8.27%	10 years	February 6, 2025	CRISIL: CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur	
29	'131st Taxable non- priority sector bond'	Febru ary 23, 2015	2285.00	2285.00	8.35%	10 years	February 22, 2025	CRISIL:C ARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur ed	
30	'132nd Taxable non- priority sector bond'	March 9, 2015	700.00	700.00	8.27%	7 years	March 9, 2022	CARE: CARE AAA; CARE: CARE AAA; IR&RPL: IND AAA/ Stable	Unsecur	
31	'133nd Taxable non- priority sector bond'	April1 0, 2015	2396.00	2396.00	8.30%	10 years	April 10, 2025	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND	Unsecur	



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating  AAA/	Secured/ Unsecured	Secu rity
32	'134nd Taxable non- priority sector bond'	August 14, 2015	2675.00	2675.00	8.37%	05 years	August 14, 2020	Stable CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND	Unsecur	
33	'135th Taxable non- priority sector bond'	Septe mber 22, 2015	2750.00	2750.00	8.36%	05 years	September2 2, 2020	AAA/ Stable CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/	Unsecur	
34	'136th Taxable non- priority sector bond'	Octob er 07, 2015	2585.00	2585.00	8.11%	10 Years	October 07, 2025	Stable  CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur	
35	'137th Taxable non- priority sector bond'	Dece mber 08, 2015	2225.00	2225.00	8.05%	03 Years	December 07, 2018	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur	



S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
36	'138th Taxable non- priority sector bond'	Febru ary 05, 2016	2895.00	2895.00	8.28%	01 Year & 01 Month	March 04, 2017	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur ed	
37	'139th Taxable non- priority sector bond'	Octob er 21, 2016	2500.00	2500.00	7.24%	05 Years	October 21, 2021	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur	
38	'140th Taxable non- priority sector bond'	Nove mber 07, 2016	2100.00	2100.00	7.52%	10 Years	November 07, 2026	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur	
39	'141st Taxable non- priority sector bond'	Dece mber 09, 2016	1020.00	1020.00	7.14%	05 Years	December 09, 2021	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur ed	



142   March   Private Placement of Institutional Bond   South Placement of Instituti	S. No.	Nature of the Bonds	Date of Allot- ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2016	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu rity
Private Placement   Institutional Bond   Series   Series   Unsecured Infrastructure bonds issued by our Company   Set forth below is a brief summary of certain of our other outstanding unsecured bonds. Some of bonds are listed on the whole sale debt market segment in the NSE	40	Taxable non- priority sector	mber 30,	3000.00	3000.00	7.54%	10 Years		CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/		
Content	Priva	te Placemen			80252.16						
Set forth below is a brief summary of certain of our other outstanding unsecured bonds. Some of bonds are listed on the whole sale debt market segment in the NSE			d Infrasti	ructure bond	s issued by o	ur Company	l .	<u> </u>		1	
SOCCF   Of IT   2011   Act   1961   Tax-   able,   Non-   converti   ble   Bonds.   2012   1961   Tax-   able,   Non-   converti   ble   Bonds.   Socciously   Sociously   Sociously   Sociously   Sociously   Stable;   CARE   AAA;   FITCH:   AAA    AAA    CITCH:   AAA    AA    CITCH:   AAA    CITCH:	2.	Set forth b	elow is a	brief summar	y of certain o	of our other outs	standing uns	ecured bonds. S	Some of bond	s are	
SOCCF   ary of IT   15,		80CCF of IT Act 1961 Tax- able, Non- converti ble Bonds.	31, 2011			8.2 payable annually		e at par on the expiry of 10 years with put option after 5/6/7/8/9 years from the date of allotment	AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	ed	-
Total of Bonds - (3) (A to E) 142579.24	2.	u/s 80CCF of IT Act 1961 Tax- able, Non- converti ble	ary 15,	157.59		9.15 payable annually and		at par on the expiry of 10/15 years with buyback option after 5/7 years respectively from the date of allotment. February 15, 2022; February	AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA:		-
		1 ap :	(2) (1)								
** The bonds have been issued on private placement basis and are currently listed on the 'whole sale debt market segment' in the NSE											

<sup>\*\*</sup> The bonds have been issued on private placement basis and are currently listed on the 'whole sale debt market segment' in the NSE.

# **Corporate Guarantees**

Our Company has not issued any Corporate Guarantee as on December 31, 2016.

# **Details of Commercial Paper**

Our company has Commercial Paper of Face Value 2000 crore outstanding as on December 31, 2016, which have been redeemed on 31 January 2017.



# **Working Capital Demand Loan from Banks**

Our Company has Nil outstanding WCDL from banks as on December 31, 2016.

# **Short Term Loan from Banks**

Our Company has no outstanding short term loans from banks as on December 31, 2016.

Details of Rest of the Borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares)

Our Company has no outstanding borrowings in form of hybrid debt as on December 31, 2016



# XI. SUMMARY TERM SHEET FOR CAPITAL GAIN TAX EXEMPTION BOND SERIES XI

Security Name	REC Capital Gain Tax Exemption Bonds Series - XI
Issuer	Rural Electrification Corporation Limited
Type of Instrument	Bond in the nature of Debentures; Bullet Redemption (at the end of 36 months from the Deemed Date of Allotment).
Nature of Instrument	Secured, Rated, Unlisted, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds, Series XI, in the nature of Debentures issued for cash at par on "on tap" basis with benefits under Section 54EC of the Income Tax Act, 1961.
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	<ol> <li>Individuals</li> <li>Hindu Undivided Families (HUF)</li> <li>Partnership Firm</li> <li>LLP</li> <li>Insurance Companies</li> <li>Companies and Body Corporates</li> <li>Provident Funds, Superannuation Funds and Gratuity Funds</li> <li>Banks</li> <li>Mutual Funds</li> <li>Financial Institutions (FIs)</li> <li>Foreign Portfolio Investors (Subject to existing regulations)</li> <li>RRBs</li> <li>NRIs/other foreign eligible investor investing out of NRO A/c on non-repatriable basis</li> <li>Co-operative Banks.</li> <li>each case, as eligible to subscribe to these Bonds under Section 54EC of the Income Tax Act, 1961. However, out of the aforesaid class of investors eligible to invest, this Information Memorandum is intended solely for the use of the person to whom it has been sent by REC for the purpose</li> </ol>
Listing	of evaluating a possible investment opportunity by the recipient(s) in respect of the Bonds offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Information Memorandum from REC). For documents to be attached with application form see page no 77.  The Bonds are not proposed to be listed on any stock
	exchange due to non-transferability of Bonds in lock in period.
Rating of the Instrument	'CARE AAA' by Credit Analysis and Research Ltd. 'CRISIL AAA' by CRISIL Limited. 'IND AAA' by India Ratings & Research Private Ltd. 'ICRA AAA' by ICRA Limited.
Issue Size	Rs. 1000 crores plus Green Shoe Option to retain oversubscription
Objects of the Issue	The Issue is for augmenting the medium term rupee resources of REC for the purpose of carrying out its functions authorised under the object clause of the Memorandum of Association of REC.  The funds raised by way of the issue will be utilized for various operations of REC.



Face Value	Rs.10,000 per Bond
Issue Price	At par (Rs.10,000 per Bond)
Discount/ Premium at which	N.A.
security is issued	
<u> </u>	F 2F 0/ no
Coupon Rate	5.25 % p.a.
Coupon Payment Frequency	Annual
Coupon payment dates	Interest will be paid every year on June 30 till redemption and the balance interest along with redemption.
Coupon Type	Fixed
Day Count Basis	Actual/ Actual
Tenor	36 months from the Deemed Date of Allotment
Redemption / Maturity	At Par, at the end of 36 months from the Deemed Date of Allotment.
Redemption Amount	At par (Rs. 10,000 per Bond)
Redemption Premium/ Discount	N.A.
Put Option	N.A.
Call Option	N.A.
Minimum Application and in	Application must be for a minimum size of Rs. 20,000 (2
multiples of thereafter	bonds) and in multiple of Rs. 10,000 (1 bond) thereafter.
Maximum Application Size	500 Bonds of Rs. 10,000/- each (Subject to Section 54EC of
	Income Tax Act, 1961)
Issue Timing	Issue Opening Date: April 1, 2017, Issue Closing Date:
	March 31, 2018 (at the close of the banking hours) or at a
	date as may be decided by REC in its absolute discretion.
Issuance mode of the Instrument	In Physical / Demat mode
Cheque / Draft to be Drawn on	'Rural Electrification Corporation Limited-54EC Bonds'
Depository	NSDL & CDSL
Record Date	15 days prior to each Interest payment and redemption date
Cocurity	or a date as decided under applicable law.  The Bonds is / would be secured by way of mortgage and /
Security	or hypothecation of immovable and / or movable properties
	of the Company as agreed between the Trustee and the
	Company.
Transaction Documents	Bond Trust Deed ;
	Bond Trustee Agreement;
	Duly filled application form;
	Bond Certificate; and
	This Information Memorandum.
Governing Law and Jurisdiction	Applicable laws in India and the Jurisdiction shall be Courts
	of Delhi.

# Note:

- 1. REC reserves the right to revise the coupon rate and/or close the issue by giving notice on its website. The investors are advised to consult REC/Mobilisers, before depositing the application with
- 2. All applications submitted but rejected by REC would be returned by REC to the applicant/ collection banker, without any Interest.
- 3. Application for minimum Rs.20,000/- (in multiples of Rs 10,000/- thereafter) will be accepted, any amount received in fraction will be refunded to the investor without interest.



#### XII. TERMS OF OFFER

#### **AUTHORITY FOR THE ISSUE**

This issue is being made pursuant to the Resolution of the Board of Directors of the Company passed at its 430<sup>th</sup> Meeting held on March 24, 2017, special resolution passed in annual general meeting held on September 21, 2016 and under appropriate provisions of the Income Tax Act, 1961.

## **OBJECTS OF THE ISSUE AND UTILIZATION OF THE PROCEEDS**

The Issue is for augmenting the medium term rupee resources of REC for the purpose of carrying out its functions authorised under the object clause of the Memorandum of Association of REC.

The funds raised through this private placement are not meant for any specific project as such and therefore the proceeds of this Issue shall be utilized for the regular business activities of REC. Therefore, the management shall ensure that the funds raised via this private placement shall be utilized only towards satisfactory fulfillment of the Objects of the Issue.

There is no contribution being made by Promoters or any of the directors of the Issuer either as part of the Issuer or separately in furtherance of the objects of the Issue of Bonds as set out in this section.

#### **STATUS/SECURITY**

The Capital Gains Tax Exemption Bonds Series-XI shall be secured by a mortgage and / or hypothecation of immovable and / or movable properties of the Company as agreed between the Trustee and the Company. The Bonds will at all times rank pari-passu with other creditors (present and future), secured against the immovable property and charge on receivables of REC including the Bonds already issued and secured and the Bonds to be issued and secured by the REC from time to time against the said immovable property and receivables of REC.

# **BOND/ DEBENTURE REDEMPTION RESERVE**

As per Companies (Shares and Debentures) Regulation, 2014 for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, no DRR is required in the case of privately placed debentures.

#### TAX BENEFITS UNDER THE INCOME TAX ACT, 1961

#### **Under Section 54EC for REC Capital Gain Bonds**

Section 54EC relating to exemption on long term capital gains if invested in Bonds was inserted by the Finance Act 2000 effective for the assessment year 2001-2002 and subsequently amended from year to year. The section reads as follows:

"Section 54EC of Income Tax Act, 1961" (Capital Gain not to be charged on Investment in certain Bonds).

- 1) Where the capital gain arises from the transfer of a long term capital asset (the capital asset so transferred being hereafter in this section referred to as the original asset) and the assessee has, at any time within a period of six months after the date of such transfer, invested the whole or any part of capital gains in the long term specified asset, the capital gain shall be dealt with in accordance with the following provisions of this section, that is to say,
  - a) if the cost of the long-term specified asset is not less than the capital gain arising from the transfer of the original asset, the whole of such Capital gain shall not be charged under section 45:
  - b) if the cost of the long-term specified asset is less than the capital gain arising from the transfer of the original asset, so much of the capital gain as bears to the whole of the capital gain the



same proportion as the cost of acquisition of the long-term specified asset bears to the whole of the capital gain, shall not be charged under Section 45.

Provided that the investment made on or after the 1st day of April 2007 in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees.

The following second proviso shall be inserted after the existing proviso to sub-section (1) of Section 54EC by the Finance (No. 2) Act, 2014, w.e.f. 1-4-2015:

Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees.

2) Where the long-term specified asset is transferred or converted (otherwise than by transfer) into money at any time within a period of three years from the date of its acquisition, the amount of capital gains arising from the transfer of the original asset not charged under Section 45 on the basis of the cost of such long-term specified asset as provided in clause (a) or, as the case may be, clause (b) of sub-section (1) shall be deemed to be the income chargeable under the head "Capital gains" relating to long-term capital asset of the previous year in which the long-term specified asset is transferred or converted (otherwise than by transfer) into money."

EXPLANATION - In a case where the original asset is transferred and the assessee invests the whole or any part of the capital gain received or accrued as a result of transfer of the original asset in any long-term specified asset and such assessee takes any loan or advance on the security of such specified asset, he shall be deemed to have converted (otherwise than by transfer) such specified asset into money on the date on which such loan or advance is taken.

- 3) Where the cost of the long-term specified asset has been taken into account for the purposes of clause (a) or clause (b) of sub-section (1),
  - a) a deduction from the amount of income-tax with reference to such cost shall not be allowed under section 88 for any assessment year ending before the 1st day of April, 2006.
  - b) a deduction from the income with reference to such cost shall not be allowed under section 80C for any assessment year beginning on or after the 1st day of April, 2006.

EXPLANATION: For the purposes of this section.

- a) cost, in relation to any long-term specified asset, means the amount invested in such specified asset out of capital gains received or accruing as a result of the transfer of the original asset;
- b) long-term specified asset for making any investment under this section during the period commencing from the 1st day of April, 2006 and ending with the March 31, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2006, but on or before March 31, 2007
  - by the National Highways Authority of India constituted under section-3 of the National Highways Authority of India Act, 1988 (68 of 1988); or
  - ii) by the Rural Electrification Corporation Ltd., a company formed and registered under the Companies Act, 1956 (1 of 1956), And notified by the Central Government in the Official Gazette for the purposes of this section with such conditions (including the condition for providing a limit on the amount of investment by an assessee in such bond) as it thinks fit:
    - Provided that where any bond has been notified before the 1st day of April, 2007, subject to the conditions specified in the notification, by the Central Government in the Official Gazette under the provisions of clause (b) as they stood immediately before their amendment by the Finance Act, 2007, such bond shall be deemed to be a bond notified under this clause;

long-term specified asset for making any investment under this section on or after the 1st day of



April, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988) or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956).

### **Please Note:**

REC shall not be responsible for any consequences including denial of any benefit under Section 54EC of the Income Tax Act, 1961 that may arise on account of multiple applications being made by the applicant either singly or along with the other joint holders such that the investments in the 54EC Bonds during the financial year exceed Rs. 50 Lacs.

### NO TAX DEDUCTION AT SOURCE ON INTEREST PAYABLE

Vide notification No 359/2002 dated December 2, 2002, REC has been exempted from deduction of tax at source under Section 193 of The Income Tax Act 1961, on the interest payable on REC 54EC Capital Gain Tax Exemption Bonds. However, this is subject to further instructions / circulars / notification from the concerned authorities.

# **DEEMED DATE OF ALLOTMENT/ BOND CERTIFICATES**

Deemed Date of Allotment of Bonds will be the last day of the month during which the application/subscription amount has been credited to REC 54EC collection account. Investors are informed that Corporation would normally process the allotment pertaining to a month at the month end and it takes maximum 4 weeks from month end to dispatch letter of advice/allotment. REC shall endeavor to make a firm allotment for all valid applications received from eligible investors.

Subject to the completion of all legal requirements, the REC will issue the Bond Certificates within 6 months as per the Section 56(4)(d) of the Companies Act, 2013 (in case of Physical option) or Bonds shall be credited to the depository account if marked by the Applicant in the application form (in case of Demat option).

### REGISTERED BONDHOLDER

Bondholder whose name appears in the register of Bondholders maintained by the Corporation or its Registrar (in case of investors opting for physical certificates) and beneficial owners on the record date (in case of investors opting for demat option)

# PAYMENT OF INTEREST

- a) The interest will be payable annually on June 30th each year on actual/actual basis. The interest payment on the Bonds shall be made to the registered bondholders.
- b) 1st Interest from the date of credit to REC 54EC Collection account in respect of the allotments made up to May 31, 2017 will be made on June 30, 2017. 1st Interest for subsequent allotments would be made on next interest payment date i.e on June 30, 2018.
- c) The interest payment for the first and last year or part thereof beginning from the date of credit and ending with the date of redemption, respectively, shall be proportionate (on actual/actual basis) and all interest on Bonds will cease on the date of redemption.
- d) REC will not be liable to pay any interest after the redemption/ maturity date of the bonds.

### **PAYMENT ON REDEMPTION**

REC's liability to Bondholder(s) towards all their rights including payment of face value shall cease and stand extinguished upon redemption of the Bonds in all events. Further, REC will not be liable to pay any interest, income or compensation of any kind after the date of such Redemption of the Bond(s).



- a) The Bonds will be automatically redeemed by REC on maturity dates i. e. on the expiry of 36 months from the deemed date of allotment, Physical bond certificate need not to be surrendered for redemption. The redemption proceeds would be paid to the Registered Bondholders.
- b) In case of transmission applications pending on the Record Date, the redemption proceeds will be issued to the legal heirs after the confirmation of the adequacy and correctness of the documentation submitted with such application till such time, the redemption proceeds will be kept in abeyance.
- c) REC will not be responsible for any payment made to a deceased bondholder, in case the information about the death of the bondholder is not provided to REC at least 15 days prior to maturity payment date.

# **MODE OF PAYMENTS**

Interest/redemption payment will be made by ECS/NECS/ RTGS/NEFT/At Par Cheque/Warrants/ Demand Drafts. Efforts will be made to cover all cities where collection centers are appointed. In case the ECS/NECS facility is not available; REC reserves the right to adopt any other suitable mode of payment. Cheque clearing charges, if any, will have to be borne by the Bondholders.

### **EFFECT OF HOLIDAYS ON PAYMENTS**

If the interest payment date falls on a day which is not a Business Day, the payment of interest up to original scheduled date, will be made on the following Business Day, however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.

If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.

It is clarified that a "Business Day" is a day when the money market is functioning in Mumbai.

If the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.

# REFUND / WITHDRAWAL OF APPLICATION MONEY

The amount once credited in REC's Collection account will not be refunded. However, in case of rejection of the Application on account of technical grounds, refund without interest will be made. REC may accept the amount and allot the bonds under this series of bonds even if the Investor has applied through old 54EC application form of REC.

# TRANSFERABILITY OF BONDS

To avail the benefit under Section 54EC of the Income Tax Act, 1961, the investment made in the Bonds needs to be held for a period of at least 36 months from the Deemed Date of Allotment. The Bonds are for tenure of 36 months and are NON TRANSFERABLE NON NEGOTIBLE and cannot be offered as a security for any loan or advance. However, Transmission of the Bonds to the legal heirs in case of death of the Bondholder/Beneficiary to the Bonds is allowed.

### **CHANGE OF BANK DETAILS**

For servicing of interest/ redemption payments, in case of bonds allotted in physical mode the bank account details of the investor will be captured from their application forms and in case of Demat mode the bank details as per the DP of the investor will be considered.

Bondholder(s) to whom bonds have been allotted in physical mode may change their bank account details



with Registrar by surrendering the original Bond Certificate together with other required document likes cancelled cheque, bank certificate etc.

### **LISTING**

The Bonds are not proposed to be listed on any stock exchange due to non-transferability of Bonds in the lock-in period.

### REGISTRAR

Karvy Computershare (P) Ltd. has been appointed as Registrar to the Issue. The Registrar will monitor the applications while the private placement is open and will coordinate the post allotment activities like dispatching of allotment advice, bond certificate, change of address/ bank details etc.

Any query/complaint regarding application/ allotment/ interest & redemption payments/transmission should be forwarded to:

### Unit-REC 54EC Bonds 2017-18

Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad- 500 032 Telangana

The details of the Nodal Officer of the Registrar is as under -

Name: Mr. Praveen Chaturvedi

Email: praveen.chaturvedi@karvv.com

Tel.: +91 40 6716 1751, Fax.: +91 40 2343 0814

### TRUSTEE AND ITS RESPONSIBILITIES

SBICAP Trustee Company Limited has been appointed as Debenture Trustee for the holder of Bonds.

The Trustee shall protect the interest of the Bondholders in the event of default by REC in regard to security creation, timely payment of interest and repayment of principal etc and shall take necessary action at the cost of REC. No Bondholder shall be entitled to proceed directly against REC unless the Trustee, having become so bound to proceed, fail to do so.

# **BOND IN DEMATERIALISED FORM**

REC has made arrangements with National Securities Depository Limited (NSDL) and Central Depository Services Ltd. (CDSL) to issue the Bonds in dematerialized form to all successful applicants. All the provisions relating to issue, allotment, transmission, etc. in respect of dematerialization and rematerialization of the Bonds as may be prescribed under the Depositories Act, 1996 and the Rules thereunder or by the NSDL/CDSL or such similar agency, would be applicable to these Bonds. Applicants should forward the Bond(s) Certificate along with demat request through their depository participant (DP) to the Registrar for dematerialisation of holdings. All the demographic details regarding nomination, Bank Account details etc. will be taken from the information provided in the Demat Account of the Investor. Further in case of any mismatch in the name or order of the name in case of joint applicants, the bond will be allotted in the physical mode only.

In case any investor wishes to hold the Bonds in physical mode the investor is required to choose (tick at) the appropriate place in the Application Form.



# JOINT APPLICATION

Only individuals/ NRI can apply in joint names and maximum three individuals can apply through a Joint Application and in case of application with Demat option, the sequence of joint applicants name must be same as mentioned in the Demat Account.

### **NOMINATION**

In accordance with Section 72 of Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014, the sole bondholder (only Individual/ NRI) or where the Bonds are held by more than one person, first bondholder, along with other joint Bondholders being individual(s) may nominate any one person (being an individual) who, in the event of death of sole holder or all the joint holders, as the case may be, shall become entitled to the Bond(s). Nominee shall be entitled to the same rights to which he will be entitled if he was the registered holder of the Bond(s). During the validity of the bonds, in case of demise of the nominee or otherwise also, the bondholder(s) will be entitled to change the nominee or make fresh nomination accordance with the procedure set out in the Companies (Share Capital and Debenture) Rules, 2014 read with section 72 of Companies Act, 2013. 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 in succession.

To expedite the transmission of Bond(s) to the nominee, the Bondholders are advised to provide the specimen signature of the nominee at the place specified in the application form. In case bonds are in Demat form, demographic and nominee details will be picked up from DP ID/CLIENT ID and the details of the nominee, if any, as mentioned in the application form will be invalid.

Where the nominee is a minor, it shall be lawful for the holder of the securities, making the nomination to appoint, in the prescribed manner, any person to become entitled to the securities of the company, in the event of the death of the nominee during his minority.

It is to further mention that in case of letter of administration/ succession certificate/ probated will from an appropriate court in India, the bonds will be transferred in the name of the such administrator/ holder of succession certificate/ executor of will only after the death of all Original Bondsholder(s).

REC shall not be responsible or liable for any demand, claim, legal action, proceeding, suit, litigation, prosecution, mediation, arbitration, enquiry or assessment taken by any governmental, statutory, regulatory, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or any other person in relation to the vesting of the Bonds in accordance with the Companies Act, 2013 and the rules thereunder with the nominee, as nominated by the original Bondholders.

# TRANSMISSION/SUCCESSION

In the event of demise of the sole holder of the Bonds, the Company will recognise the executor or administrator of the deceased Bondholders, or the holder of succession certificate or other legal representative as having title to the Bonds in accordance with the applicable provisions of law, including the Companies Act, 2013 and the rules thereunder, only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or produces evidence of legal representation, as the case may be, from an appropriate court in India.

Where Bonds are held in the joint names and first holder dies, the second holder will be recognized as the Bondholder(s) and in case, second holder dies, the third holder will be recognized as the Bondholder. It will be sufficient for the Company to delete the name of the deceased Bondholder after obtaining satisfactory evidence of his death. Company will not be held liable for any payment made in the account of the holder in case the information about death of holder is not brought into the notice of the Company at least 15 days prior to the payment date.



In case of physical form, the beneficial owners of deceased Bondholder are advised to send the Bond Certificate(s) to the Registrar, along with all the required documents. REC and/or persons/ Registrar appointed by them for this purpose after examining and being satisfied regarding adequacy and correctness of the documentation shall register the transmission in its books.

In case bonds are issued in Dematerialised form successor(s) will be, as intimated by Depositary Participant of the Bondholder.

### **HOW TO APPLY**

# (A) By depositing of application form with Cheque/DD:

Investors are required to submit the Application Form duly filled along with necessary enclosures at the specified Collecting Bankers as indicated at our website: <a href="www.recindia.com">www.recindia.com</a>. Demand Draft or crossed Cheque should be payable in favour of "Rural Electrification Corporation Limited - 54EC Bonds". Demand Draft/ NEFT/ NECS charges, if any, shall be borne by the applicant.

## (B) By RTGS/NEFT payment:

The investor can also directly deposit the amount in the REC collection account by way of NEFT/RTGS and invariably send through speed/ registered post the duly filled application to the same bank address as detailed below and mention the UTR no. at space provided in the application form for cheque details:

Sn	Bank	A/c No	IFSC Code	MICR No	Bank Address
1	Canara	2471201001150	CNRB0002471	110015115	Capital Market Services
	Bank				Branch, Jeevan Bharti Building, Sansad Marg, New
2	HDFC	00020250000504	TIDEC0000003	110240001	Delhi-110001 G - 3/4 , 19 K G Marg, Surya
4	Bank	00030350000584	HDFC0000003	110240001	Kiran Building, New Delhi-
	Dalik				110001
3	IDBI	0127103000006859	IBKL0000127	110259012	4th Floor, Indian Red Cross
	Bank				Society Building, 1, Red Cross
					Road, New Delhi-110001
4	Indusind	200008580241	INDB0000165	400234020	219-220, Somdutt Chambers-
	Bank				Ii, Bhikaji Cama Place, New
					Delhi-110066
5	YES	000381000000301	YESB0000003	110532002	8, NYAYA MARG, CHANAKYA
	Bank				PURI, NEW DELHI- 110 021
6	ICICI	000405108563	ICIC0000004	400229002	Capital Market Division,
	Bank				122/1 Mistry Bhavan,
					Backbay Reclamation,
					Churchgate, Mumbai-400020
7	Axis	915020015055414	UTI0000007	110211002	New Delhi Main Branch,
	Bank				Statesman House, 148,
					Barakhamba Road, New Delhi
					- 110001

### APPLICATION BY POST

The applicant, if they so desire, may forward their applications through speed/registered post to any of the controlling branches of the collection bankers as given below, provided they are accompanied with a Demand Draft payable at New Delhi/ Mumbai, as applicable, for the application amount so as to reach during such period when the issue is open for subscription.



Canara Bank	Capital Market Services Branch, Jeevan Bharti Building, Sansad Marg, New Delhi-
	110001
HDFC Bank	G - 3/4 , 19 K G Marg, Surya Kiran Building, New Delhi-110001
IDBI Bank 4th Floor, Indian Red Cross Society Building, 1, Red Cross Road, New De	
<b>INDUSIND Bank</b>	219-220, Somdutt Chambers-Ii, Bhikaji Cama Place, New Delhi-110066
YES Bank	8, NYAYA MARG, CHANAKYA PURI, NEW DELHI- 110 021
ICICI Bank	Capital Market Division, 122/1 Mistry Bhavan, Backbay Reclamation, Churchgate,
	Mumbai-400020
<b>AXIS Bank</b>	New Delhi Main Branch, Statesman House, 148, Barakhamba Road, New Delhi -
	110001

## **Applications under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Corporation or to its Registrar or to such other person(s) at such other address(s) as may be specified by the Corporation from time to time through a suitable communication.

# DOCUMENTS TO BE PROVIDED BY INVESTORS OTHER THAN INDIVIDUALS (IN ADDITION TO THE DOCUMENTS TO BE PROVIDED WITH KNOW YOUR CUSTOMER FORM AS ATTCAHED WITH APPLICATION FORM)

- 1. **Partnership Firms**: A certified true copy of: (i) Documentary evidence of authorization to invest in the Bonds and to receive the money on redemption, if the same is not provided in the partnership deed and (ii) Specimen signature of authorized signatories.
- 2. **Companies and Body Corporate, Financial Institutions, Foreign Portfolio Investors**: A certified true copy of (i) Board resolution authorizing investment and containing operating instructions and (ii) Specimen signatures of authorized signatories.
- 3. **Banks:** A certified true copy of (i) Power of Attorney and (ii) Specimen signatures of authorized signatories.
- 4. **Provident Funds, Superannuation Funds and Gratuity Funds:** (i) Resolution passed by the competent authority authorizing the investment and (ii) Specimen signatures of the authorized signatories.
- 5. **Mutual Funds:** A certified true copy of (i) SEBI registration certificate; (ii) Resolution passed by the competent authority authorizing the investment and containing operating instructions and (iii) Specimen signatures of the authorized signatories.

# DOCUMENTS TO BE PROVIDED BY ALL INVESTORS

- 1. Self-attested copy of PAN Certificate (In case of Joint application, self-attested PAN copy of all the applicants) or Form 60 where bond application size is Rs. 50,000/- or more
- 2. Cancelled cheque or its photo copy for NECS/ NEFT/ RTGS facility.
- 3. Self-attested copy of address proof.
- 4. One Id Proof of the Nominee.

### LIMITATION OF LIABILITY

Liability of REC shall be limited to only the principal and interest, in terms of this Information Memorandum, on the Bond. REC shall not be liable for any cost, loss, damage, injury or claim due to the terms of this Bond or any matters incidental thereto including change or amendment in any Law or Regulation, proceedings in court or due to rejection of the Application.



### BONDHOLDER NOT A SHAREHOLDER

The Bondholders will not be entitled to any of the rights and privileges available to the shareholders. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of REC, such resolution will first be placed before the Bondholders for their consideration.

### **FUTURE BORROWINGS**

REC shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Bonds/ Debentures/ Notes/ other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as REC may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustee in this connection.

### **NOTICES**

All notices required to be given by REC or by the Trustee to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/first allottees of the Bonds and/ or published on the website of the issuer.

All notices required to be given by the Bondholder(s), including notices referred to under "Payment of Interest" and "Payment on Redemption" shall be sent by registered post or by hand delivery to REC or to such persons at such address as may be notified by REC from time to time.

### **DISPUTES & GOVERNING LAW**

The Bonds are governed by and shall be construed in accordance with the laws of India. Any dispute arising thereof will be subject to the jurisdiction of courts of Delhi.

# INVESTOR RELATIONS AND GRIEVANCE REDRESSAL

Arrangements have been made to redress investor grievances expeditiously as far as possible, REC endeavors to resolve the investors grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of bonds applied for, amount paid on application and Bank and Branch/REC collection centre where the Application was submitted, may be addressed to the 'Resource Mobilization Unit – 54EC Bonds' at the Head office. All investors are hereby informed that the company has appointed a Compliance Officer who may be contacted in case of any problem related to this issue.

### **COMPLIANCE OFFICER**

Sh. Daljeet Singh Khatri, AGM(Finance), Rural Electrification Corporation Limited, Core – 4 SCOPE Complex, 7, Lodhi Road, New Delhi –110 003, Tel.; 011-4309 1647

Fax: 011 24362056,

E-mail: <a href="mailto:investorcell@recl.in">investorcell@recl.in</a>, <a href="mailto:daljeetsinghkhatri@rediffmail.com">daljeetsinghkhatri@rediffmail.com</a>

The investors can contact the Compliance Officer in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the Demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc.



# PARTICULARS OF DEBT SECURITIES ISSUED (I) FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, (II) AT A PREMIUM OR DISCOUNT, OR (III) IN PURSUANCE OF AN OPTION

REC hereby confirms that it has not issued any shares or debt securities or agreed to issue any shares or debt securities for consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception, other than and to the extent mentioned elsewhere in the Information Memorandum of the Private Placement.



# XIII. SERVICING BEHAVIOUR ON EXISTING DEBT SECURITIES AND OTHER BORROWINGS

REC hereby confirms that:

- a) The main constituents of REC's borrowings have been in the form of borrowings from Banks and Financial Institutions, Bonds etc.
- b) REC has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default since inception.
- c) REC has neither defaulted in repayment/ redemption of any of its borrowings nor affected any kind of roll over against any of its borrowings in the past. The Issuer has not defaulted on payment of any kind of statutory dues to the Government of India, State Government(s), statutory/ regulatory bodies, authorities, departments etc., since inception.



# XIV. MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE

REC hereby declares that there has been no material event, development or change at the time of issue which may affect the issue or the investor's decision to invest/continue to invest in the debt securities of REC.



# XV. PERMISSION/ CONSENT FROM PRIOR CREDITORS

The Corporation hereby confirms that it is entitled to raise money through current issue of Bonds without the consent/ permission/ approval from the bondholders/ trustees/ lenders/ other creditors of REC. However, in case of such requirement arises, the same would be obtained in due course and would be shared with the Trustee.



# XVI. MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER

By very nature of its business, REC is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of REC. However investor may inspect the Charter Documents, Bonds Trust Deed, Bond Trust Agreement, etc. in relation to this issue subject to relevant regulation and fees, if any.



### XVII. DECLARATION

The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder. It is to be distinctly understood that compliance with the Companies Act, 2013 and the rules does not imply that payment of interest or repayment of Bonds, is guaranteed by the Government of India.

The Company undertakes that the monies received under the Issue shall be utilized only for the purposes and 'Objects of the Issue' indicated in the Information Memorandum for Private Placement.

The Issuer accepts no responsibility for the statement made otherwise than in the Information Memorandum for Private Placement or in any other material issued by or at the instance of the Issuer and that anyone who places reliance on any other source of information would be doing so at his own risk.

The undersigned has been authorized by the Board of Directors of the Company vide resolution number 430.4.6 dated March 24, 2017 to sign this Information Memorandum for Private Placement and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this Information Memorandum for Private Placement and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association of the Company.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For and on behalf of Rural Electrification Corporation Limited

Daljeet Singh Khatri

Additional General Manager (Finance)

Place: New Delhi Date: March 31, 2017



# XVIII. ANNEXURES

- A. LIST OF ADDRESSES OF REC'S ZONAL AND PROJECT OFFICES
- **B. FINANCIAL INFORMATION**
- C. CONSENT LETTER OF TRUSTEE
- D. CREDIT RATING LETTERS
- E. APPLICATION FORM
- F. BOARD AND SHAREHOLDER RESOLUTIONS



# ANNEXURE A: LIST OF ADDRESS OF REC'S ZONAL AND PROJECT OFFICES Zonal Office:

	Zone	Location of Zonal Office	STD Code No.	Office Telephone No./Mob.	Fax No.
1	Southern	No. 1/5, Ulsore Road, Bengaluru-560042	080	25550240 25598035 25598244	25598243
2	Eastern	I.B186 Sectoe-III Salt Lake City, Kolkata-700106	033	23566989 23567017 23567018	23356900
3	Central	19/8, Indira Nagar Extension, ring Road, Lucknow 226016	0522	2716324 2717376	2716815
4	Western	51-B, Mittal Tower 5th Floor, Nariman Point, Mumbai-400021	022	22831004 22830985	22831004
5	Northern	Bay No. 7-8, Sector-2, Panchkula- 134112	0172	2563864, 2563863 2563822,	2567692

# Project Offices:

	Project Offices	Location of Project Offices	STD Code No.	Office Telephone No./Mob.	Fax No.
1	Guwahati (Assam)	"SRADDHA", MG Road- GS Road Crossing, (SOHUM/HDFC Point) Christian Basti, Guwahati – 781005	0361	2343713	2343712-14
2.	Hyderabad (Telangana)	Shivranpally Post NPA, near Aramghar,national Highway No. 7 Hyderabad-500052	040	29805034 29806745	29804235
3	Patna (Bihar)	'Maurya Lok' Complex Block-C 4th Floor, New Dak Bangalow Road, Patna-100001 A-101 & D-104, Om	0612	2224596 2221131	2224596
4	Ranchi (Jharkhand)	Shree Enclave, Near Loyola School, Airport Road, HINOO,	0651	2253123	2224596
5	Vadodara (Gujarat)	Plot No. 585, T.P Scheme No.2, Behind Pusti Complex, Opp. VMC Ward Office, Atma Jyoti Ashram Road, Subhanpura, Vadodara - 390023	0265	2397487	2397652
6	Shimla (Himachal Pradesh)	Pt. Padamdev Commercial Complex, Phase-II, First Floor, The Ridge, Shimla - 171001	0177	2653411	2804077
7	Jammu (Jammu & Kashmir)	157-A, Gandhi Nagar, Behind Apsara Cinema, Jammu- 180004	091	2450800	2450868



	Project Offices	Location of Project Offices	STD Code No.	Office Telephone No./Mob.	Fax No.
8	Thiruvananthapuram (Kerala)	'O'-5, 4th Floor, "Saphallyam" Commercial Complex, TRIDA Building Palayam, Thiruvananthapuram- 695034	0471	2328662	2328579
9	Bhopal (Madhya Pradesh)	Metro walk, 2nd Floor, West Hall No. 3 Bittan market,Bhopal- 462016	0755	2460006	2460008
10	Shillong (Meghalaya)	Rinadee Old Jowai Road Lachumiere, Shillong-793001	0364	2210190	2225687
11	Bhubaneswar (Orissa)	Deen Dayal Bhawan, Fifth Floor, Ashok Nagar, Janpath, Bhubaneswar-751009	0674	2393206 2536649	2536669
12	Jaipur (Rajasthan)	J-4-A, Jhalana Dungari, Institutional Area, Jaipur-302004	0141	2707840 2700161	2706986
13	Chennai (Tamil Nadu)	No. 12 & 13 T.N.H.B. Complex, Luz Church Road, 180 (Luz Corner) Mylapore, Chennai-600004	044	24987960 24672376	24670595

# Sub-Offices:

	Zone	Location of Zonal Office	STD Code No.	Office Telephone No./Mob.	Fax No.
1	Raipur, Chattisgarh	KH no. 185/17, Shanti Vihar Colony, (opposite Viveka nand School) Dauganiya, Raipur 492013	0771	2241055	2241055
2.	Dehradun, Uttarakhand	7, New road, Opposite MKP College, Dehradun, 248001	0135	2650799	2650799
3.	Varanasi, Uttar Pradesh	N-8/239 J, Newada Sunderpur, (Near Ksheer Sagar) Varanasi -221005	-	7753006715	

# Training Center:

	Zone	Location of Zonal Office	STD Code No.	Office Telephone No./Mob.	Fax No.
1	CIRE, Hyderabad	Shivrampally, Post NPA, Near Aramghar, national Highway No. 7, Hyderabad 500052	040	29805901	24015896

# **ANNEXURE B: FINANCIAL INFORMATION**

# FINANCIAL INFORMATION (ON STANDALONE BASIS)

(₹in crores)

			(₹in crores)		
Particulars	As on/for the half year ended September 30, 2016 (Audited)	As on/for the year ended March 31, 2016 (Audited)	As on/for the year ended March 31, 2015 (Audited)	As on/for the year ended March 31, 2014 (Audited)	
For Financial Entities					
Net worth	31,777.79	28,617.76	24,857.03	20,669.46	
Total Debt	1,62,077.29	1,69,106.38	1,51,024.12	1,26,240.19	
of which – Non Current Maturities of Long Term Borrowing	1,30,855.17	1,38,789.43	1,31,168.32	1,10,162.30	
- Short Term Borrowing	5,750.00	6,349.93	734.00	2,540.00	
- Current Maturities of Long Term Borrowing	25,472.12	23,967.02	19,121.80	13,537.89	
Net Fixed Assets	162.00	150.32	81.32	81.83	
Non-Current Assets	1,74,323.30	1,60,362.94	1,65,547.04	1,37,673.55	
Cash and Cash Equivalents	1,659.54	1,728.19	522.54	1,192.94	
Current Investments	196.32	149.16	438.66	47.16	
Current Assets	28,907.22	45,990.03	17,627.99	15,179.35	
Current Liabilities	38,944.05	37,591.50	25,999.11	21,381.69	
Asset Under Management	N.A.	N.A.	N.A.	N.A.	
Off Balance Sheet Assets	N.A.	N.A.	N.A.	N.A.	
Interest Income	11,645.38	23,470.66	20,072.08	16,806.39	
Finance Costs	6,949.68	14,283.12	11,844.61	10,038.46	
Net interest income	4,695.70	9,187.54	8,227.47	6,767.93	
Provisioning & Write-offs	477.95	1,089.85	802.96	312.02	
PAT	3,172.13	5,627.66	5,259.87	4,683.70	
Gross NPA (%)	2.45%	2.11%	0.74%	0.33%	
Net NPA (%)	1.81%	1.61%	0.54.%	0.24.%	
Tier I Capital Adequacy Ratio (%)	18.22%	17.48%	16.52%	16.02%	
Tier II Capital Adequacy Ratio (%)	2.80%	2.90%	3.04%	3.33%	
Total Loan Assets (net)	1,95,384.89	2,00,265.02	1,79,281.49	1,48,504.24	
Capital Adequacy ratio (%)	21.02%	20.38%	19.56%	19.35%	
Net interest margin	4.84%	4.82%	5.01%	4.90%	
Yield on Loan Assets	11.95%	12.32%	12.23%	12.18%	
Cost of funds	8.18%	8.50%	8.36%	8.31%	
Return on Net worth (average)	22.70	21.05%	23.11%	24.57%	
Debt equity ratio (times)	5.10	5.91	6.08	6.11	
Total Assets	2,03,230.52	2,06,352.97	1,83,175.03	1,52,852.90	
Return on assets (average)	1.55%	2.89%	3.13%	3.31%	

# STANDALONE REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

						(t in crores)
		Note	As at	As at	As at	As at
	Particulars	No.	September 30, 2016 (Audited)	March 31,2016	March 31,2015	March 31,2014
I.	EQUITY AND LIABILITIES					
(1)	Shareholders' Funds					
	(a) Share Capital	A	1,974.92	987.46	987.46	987.46
	(b) Reserves and	В	29,802.87	27,630.30	23,869.57	19,682.00

		Note	As at	As at	As at	As at
	Particulars	No.	September 30, 2016 (Audited)	March 31,2016	March 31,2015	March 31,2014
	Surplus					
	Sub-total (1)	-	31,777.79	28,617.76	24,857.03	20,669.46
(2)	Non-current Liabilities					
	(a) Long-term Borrowings	C	1,30,855.17	1,38,789.43	1,31,168.32	1,10,162.30
	(b) Deferred Tax Liabilties (Net)		4.72	49.75	107.32	173.69
	(c) Other Long- term Liabilities	D	58.71	9.50	36.16	23.52
	(d) Long-term Provisions	E	1,590.08	1,295.03	1,007.09	442.24
	Sub-total (2)		132508.68	1,40,143.71	1,32,318.89	1,10,801.75
(3)	Current Liabilities					
	(a) Short-term Borrowings	F	5,750.00	6,349.93	734.00	2,540.00
	(b) Other current liabilities	G	32,615.64	30,389.52	24,811.40	18,583.73
	(c) Short-term Provisions	E	578.41	852.05	453.71	257.96
	Sub-total (3)		38,944.05	37,591.50	25,999.11	21,381.69
	Total (1+2+3)		2,03,230.52	2,06,352.97	1,83,175.03	1,52,852.90
II.	ASSETS					
(1)	Non-current Assets					
	(a) Fixed assets	H				
	(i) Tangible Assets		119.47	117.83	72.50	69.67
	(ii) Intangible Assets		0.65	0.91	1.43	2.45
	(iii) Capital work- in-progress		40.67	30.37	7.39	9.71
	(iv) Intangible Assets under Development		1.21	1.21	-	-
	_		162.00	150.32	81.32	81.83
	(b) Non-current Investments	I	2,837.80	2,317.46	1,174.81	1,660.63
	(c) Deferred Tax Assets (Net)		-	-	-	-
	(d) Long-term Loans & Advances	J	1,70,404.80	1,57,794.10	1,64,213.78	1,35,898.97
	(e) Other Non- current Assets	K	918.70	101.06	77.13	32.12
	Sub-total (1)		1,74,323.30	1,60,362.94	1,65,547.04	1,37,673.55
(2)	<b>Current Assets</b>					
	(a) Current Investments	I	196.32	149.16	438.66	47.16
	(b) Cash & Bank Balances	L	1,659.90	1,728.55	522.90	1,192.94
	(c) Short-term Loans & Advances	M	4,902.94	795.26	1,100.24	381.58

	Note	As at	As at	As at	As at
Particulars	No.	September 30, 2016 (Audited)	March 31,2016	March 31,2015	March 31,2014
(d) Other Current Assets	N	22,148.06	43,317.06	15,566.19	13,557.67
Sub-total (2)		28,907.22	45,990.03	17,627.99	15,179.35
Total (1+2)		2,03,230.52	2,06,352.97	1,83,175.03	1,52,852.90

# STANDALONE REFORMATTED STATEMENT OF PROFIT AND LOSS

		Notes	Half Year ended	Year ended	Year ended	Year ended
	Particulars_	No.	September 30, 2016 (Audited)	March 31, 2016	March 31, 2015	March 31, 2014
I.	Revenue from Operations	O	11,910.47	23,638.35	20,229.53	17,017.98
II.	Other Income	P	248.41	117.93	158.52	102.82
III.	Total Revenue (I+II)		12,159.28	23,756.28	20,388.05	17,120.80
IV.	Expenses					
(i)	Finance Costs	Q	6,979.47	14,283.12	11,844.61	10,038.46
(ii)	Employee Benefits Expense	R	78.40	137.44	133.94	129.91
(iii)	Depreciation & Amortization		2.39	5.45	6.76	4.21
(iv)	Corporate Social Responsibility Expenses		73.28	128.20	103.25	38.40
(v)	Other Expenses	S	49.03	67.01	69.49	67.07
(vi)	Provisions and Contingencies	T	477.95	1,089.85	802.96	312.02
	Total Expenses (IV)		7,660.52	15,711.07	12,961.01	10,590.07
v.	Profit before Prior Period Items & Tax (III-IV)		4498.76	8,045.21	7,427.04	6,530.73
VI.	Prior Period Items		-0.64	-	-	-0.39
VII.	Profit before Tax and Extra ordinary Items (V-VI)		4,499.40	8,045.21	7,427.04	6,531.12
VIII	Extraordinary Items		-	-	-	-
VII.	Profit before Tax (V-VI)		4,499.40	8,045.21	7,427.04	6,531.12

		Notes	Half Year ended	Year ended	Year ended	Year ended
	Particulars	No.	September 30, 2016 (Audited)	March 31, 2016	March 31, 2015	March 31, 2014
VIII	Tax Expense:					
(i)	Current Year		1,325.97	2,477.89	2,231.86	1,704.66
(ii)	Earlier Years/ (Refunds)		0.42	-2.77	1.30	14.04
(iii)	Deferred Tax		0.88	-57.57	-65.99	128.72
	Total Tax Expense (i+ii+iii)		1,327.27	2,417.55	2,167.17	1,847.42
IX.	Profit for the period from Continuing Operations (VII-VIII)		3,172.13	5,627.66	5,259.87	4,683.70
х.	Profit from Discontinuin g Operations (after tax)		-	•	•	-
XI.	Profit for the period (IX+X)		3,172.13	5,627.66	5,259.87	4,683.70
XII.	Earnings per Equity Share (in ₹ for an equity share of ₹ 10 each)					
	(1) Basic		16.06	56.99	53.27	47.43
	(2) Diluted		16.06	56.99	53.27	47.43

# STANDALONE REFORMATED STATEMENT OF CASH FLOWS

PARTICULARS	September 30, 2016 (Audited)	YEAR ENDED March 31,2016	YEAR ENDED March 31,2015	YEAR ENDED March 31,2014
A. Cash Flow from Operating Activities:				
Net Profit before Tax	4,499.40	8,045.21	7,427.04	6,531.12
Adjustments for:				
1. Profit / Loss on Sale of Fixed Assets	0.23	0.38	0.09	0.69
2. Depreciation	1.75	5.45	6.76	4.21
3. Provisions and Contingencies	477.95	1,089.85	802.96	312.02
4. Allowance for Staff Advance	0.00	0.00	0.00	0.07
5. Interest on Commercial Paper	203.79	285.91	300.03	230.88
6. Excess Provision written back	-	-0.07	0.00	-3.18
7. Profit on sale/redemption of investments	-	-12.29	-	-
8. Loss/ Gain(-) on Exchange Rate fluctuation	56.30	666.13	259.99	304.27
9. Dividend from Subsidiary Co.	-19.50	-10.01	-0.35	-0.15
10. Dividend from Investments	-17.61	-3.05	-3.63	-0.38
11. Interest on Long-Term Investments/ Govt. Securities	-116.00	-85.97	-149.18	-47.16
12. Provision made for Interest on Advance Income Tax	-	ı	1.38	2.96
13. Discount on Bonds written off	0.07	3.99	4.83	4.83
14. Interest Accrued on Zero Coupon Bonds	41.34	76.17	70.39	64.97
15. Dividend & Dividend Tax paid in excess of provision	0.00	0.00	0.00	0.01
16. Gain on Changes in Fair Value of Interest Rate Swaps	-84.88	1	-	1
Operating profit before Changes in Operating Assets & Liabilities:	5042.84	10,061.70	8,720.31	7,405.16
Increase / Decrease :				
1. Loan Assets	4626.28	-21,733.35	-31,005.84	-22427.06
2. Other Operating Assets	-374.14	27.89	-366.08	-355.16
3. Operating Liabilities	-89.51	936.54	944.51	-273.94
Cash flow from Operations	9205.47	-10,707.22	-21,707.10	-15,651.00
1. Income Tax Paid (including TDS)	-990.59	-2,539.74	-2,284.67	-1640.06
2. Income Tax refund	21.47	42.00	-	8.27
Net Cash Flow from Operating Activities	8236.35	-13,204.96	-23,991.77	-17,282.79
B. Cash Flow from Investing Activities				
1. Sale of Fixed Assets	0.01	0.86	0.18	0.31
2. Purchase of Fixed Assets (incl. CWIP & Intangible Assets under development)	-4.96	-104.63	-7.64	-3.46
3. Investment in shares of Energy Efficiency Services Ltd. (including share application money pending		124.00		
allotment)	5.7.50	-124.00	-	
4. Investment in shares of NHPC Ltd.  5. Investment in 11.15% Additional Tier-1 Perpetual  Pends of Indian Penk	-567.50	500.00	-	<del>-</del> _
Bonds of Indian Bank  6. Investment in 11.25% Additional Tier-1 Perpetual Bonds of Vijaya Bank	-	-500.00 -500.00	-	
7. Investment in 11.25% Additional Tier-1 Perpetual Bonds of Syndicate Bank	_	-500.00	-	<u> </u>
Redemption of 8% Government of Madhya Pradesh     Power Bonds-II		94.32	94.32	94.32
9. Sale of Long-term Investments	_	762.53	-	_

PARTICULARS	September 30, 2016 (Audited)	YEAR ENDED March 31,2016	YEAR ENDED March 31,2015	YEAR ENDED March 31,2014
10. Profit on sale/redemption of investments	-	12.29	-	-
11. Refund of Share Application Money in Energy Efficiency Services Ltd.	-		0.00	0.00
12. Interest on Long-Term Investments/ Govt. Securities	18.42	106.05	154.10	47.16
13. Dividend from Subsidiary Co.	19.50	10.01	0.35	0.15
14. Dividend from Investments	17.61	3.05	3.63	0.38
Net Cash Flow from Investing Activities	-516.92	-739.52	244.94	138.86
C. Cash Flow from Financing Activities				
1. Issue of Bonds (Net of redemptions)	-5827.11	14,972.72	21,806.74	17,492.70
2. Raising of Term Loans/ STL from Banks/ FIs (Net of repayments)	150.07	-459.07	-955.40	-3044.40
3. Raising of Foreign Currency Loan (Net of redemptions and inclusive of related derivative payments)	-1536.47	-2607.56	6344.25	1706.32
4. Funds received from GOI for further disbursement as Subsidy/ Grant including interest ( Net of refund)	2925.33	4,436.52	3,421.17	2,920.69
5. Disbursement of grants	-2075.46	-4,691.45	-3,639.69	-2,429.28
6. Repayment of Govt. Loan	-	-3.07	-4.86	-7.21
7. Payment of Final Dividend	-503.60	-266.61	-172.81	-148.13
8. Payment of Interim Dividend	-	-1184.95	-789.97	-765.28
9. Payment of Corporate Dividend Tax	-	-293.47	-187.26	-155.20
10.Premium on issue of Securities	-	0.28	-	1.24
11. Issue of Commercial Paper (Net of repayments)	-920.84	5246.79	-2745.74	1281.16
Net Cash flow from Financing Activities	-7788.08	15,150.13	23,076.43	16,852.61
Net Increase/Decrease in Cash & Cash Equivalents	-68.65	1,205.65	-670.40	-291.32
Cash & Cash Equivalents as at the beginning of the period	1728.19	522.54	1,192.94	1,484.26
Cash & Cash Equivalents as at the end of the period	1659.54	1,728.19	522.54	1,192.94

# CONSOLIDATED REFORMATTED STATEMENT OF ASSETS & LIABILITIES

Particulars  EQUITY AND LIABILITIES  Shareholders' Funds  (a) Share Capital (b) Reserves and Surplus  Sub-total (1)  Non-current Liabilities (a) Long-term Borrowings (b) Deferred Tax Liability (Net) (c) Other Long-term Liabilities (d) Long-term Provisions  Sub-total (2)  Current Liabilities (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions  Sub-total (3)	Note No.  A B C D E	987.46 27,905.94 28,893.40 1,38,783.85 47.54 10.09 1,295.46 1,40,136.94 6,460.77 118.69 30,476.70	As at  March 31,.2015  987.46 24,085.12 25,072.58  1,31,123.26 105.80 36.18 1,007.39 1,32,272.63  734.00 30.83	As at  March 31,.2014  987.46 19,815.59 20,803.05  1,10,095.30 172.92 23.54 442.32 1,10,734.08  2,540.00 6.07
EQUITY AND LIABILITIES  Shareholders' Funds  (a) Share Capital (b) Reserves and Surplus  Sub-total (1)  Non-current Liabilities (a) Long-term Borrowings (b) Deferred Tax Liability (Net) (c) Other Long-term Liabilities (d) Long-term Provisions  Sub-total (2)  Current Liabilities (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	A B C D E	987.46 27,905.94 28,893.40 1,38,783.85 47.54 10.09 1,295.46 1,40,136.94 6,460.77 118.69	987.46 24,085.12 25,072.58 1,31,123.26 105.80 36.18 1,007.39 1,32,272.63	987.46 19,815.59 <b>20,803.05</b> 1,10,095.30 172.92 23.54 442.32 <b>1,10,734.08</b>
Shareholders' Funds  (a) Share Capital (b) Reserves and Surplus  Sub-total (1)  Non-current Liabilities (a) Long-term Borrowings (b) Deferred Tax Liability (Net) (c) Other Long-term Liabilities (d) Long-term Provisions  Sub-total (2)  Current Liabilities (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	B C D E	27,905.94 28,893.40 1,38,783.85 47.54 10.09 1,295.46 1,40,136.94 6,460.77 118.69	24,085.12 25,072.58 1,31,123.26 105.80 36.18 1,007.39 1,32,272.63	19,815.59 20,803.05 1,10,095.30 172.92 23.54 442.32 1,10,734.08
(a) Share Capital (b) Reserves and Surplus  Sub-total (1)  Non-current Liabilities (a) Long-term Borrowings (b) Deferred Tax Liability (Net) (c) Other Long-term Liabilities (d) Long-term Provisions  Sub-total (2)  Current Liabilities (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	B C D E	27,905.94 28,893.40 1,38,783.85 47.54 10.09 1,295.46 1,40,136.94 6,460.77 118.69	24,085.12 25,072.58 1,31,123.26 105.80 36.18 1,007.39 1,32,272.63	19,815.59 20,803.05 1,10,095.30 172.92 23.54 442.32 1,10,734.08
(a) Share Capital (b) Reserves and Surplus  Sub-total (1)  Non-current Liabilities (a) Long-term Borrowings (b) Deferred Tax Liability (Net) (c) Other Long-term Liabilities (d) Long-term Provisions  Sub-total (2)  Current Liabilities (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	B C D E	27,905.94 28,893.40 1,38,783.85 47.54 10.09 1,295.46 1,40,136.94 6,460.77 118.69	24,085.12 25,072.58 1,31,123.26 105.80 36.18 1,007.39 1,32,272.63	19,815.59 20,803.05 1,10,095.30 172.92 23.54 442.32 1,10,734.08
(b) Reserves and Surplus  Sub-total (1)  Non-current Liabilities  (a) Long-term Borrowings (b) Deferred Tax Liability (Net) (c) Other Long-term Liabilities (d) Long-term Provisions  Sub-total (2)  Current Liabilities (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	B C D E	27,905.94 28,893.40 1,38,783.85 47.54 10.09 1,295.46 1,40,136.94 6,460.77 118.69	24,085.12 25,072.58 1,31,123.26 105.80 36.18 1,007.39 1,32,272.63	19,815.59 20,803.05 1,10,095.30 172.92 23.54 442.32 1,10,734.08
Non-current Liabilities  (a) Long-term Borrowings (b) Deferred Tax Liability (Net) (c) Other Long-term Liabilities (d) Long-term Provisions  Sub-total (2)  Current Liabilities (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	C D E	1,38,783.85 47.54 10.09 1,295.46 1,40,136.94 6,460.77 118.69	25,072.58  1,31,123.26 105.80 36.18 1,007.39 1,32,272.63  734.00 30.83	20,803.05  1,10,095.30 172.92 23.54 442.32 1,10,734.08
Non-current Liabilities  (a) Long-term Borrowings (b) Deferred Tax Liability (Net) (c) Other Long-term Liabilities (d) Long-term Provisions  Sub-total (2)  Current Liabilities (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	D E F	1,38,783.85 47.54 10.09 1,295.46 <b>1,40,136.94</b> 6,460.77 118.69	1,31,123.26 105.80 36.18 1,007.39 1,32,272.63	1,10,095.30 172.92 23.54 442.32 1,10,734.08
(a) Long-term Borrowings (b) Deferred Tax Liability (Net) (c) Other Long-term Liabilities (d) Long-term Provisions  Sub-total (2)  Current Liabilities (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	D E F	47.54 10.09 1,295.46 <b>1,40,136.94</b> 6,460.77 118.69	105.80 36.18 1,007.39 1,32,272.63 734.00 30.83	172.92 23.54 442.32 <b>1,10,734.08</b> 2,540.00
(b) Deferred Tax Liability (Net) (c) Other Long-term Liabilities (d) Long-term Provisions  Sub-total (2)  Current Liabilities (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	D E F	47.54 10.09 1,295.46 <b>1,40,136.94</b> 6,460.77 118.69	105.80 36.18 1,007.39 1,32,272.63 734.00 30.83	172.92 23.54 442.32 <b>1,10,734.08</b> 2,540.00
(c) Other Long-term Liabilities (d) Long-term Provisions  Sub-total (2)  Current Liabilities (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	F G	10.09 1,295.46 <b>1,40,136.94</b> 6,460.77 118.69	36.18 1,007.39 1,32,272.63 734.00 30.83	23.54 442.32 <b>1,10,734.08</b> 2,540.00
(d) Long-term Provisions  Sub-total (2)  Current Liabilities  (a) Short-term Borrowings  (b) Trade Payables  (c) Other current liabilities  (d) Short-term Provisions	F G	1,295.46 1,40,136.94 6,460.77 118.69	1,007.39 1,32,272.63 734.00 30.83	442.32 1,10,734.08 2,540.00
Current Liabilities  (a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	F G	1,40,136.94 6,460.77 118.69	1,32,272.63 734.00 30.83	1,10,734.08 2,540.00
Current Liabilities  (a) Short-term Borrowings  (b) Trade Payables  (c) Other current liabilities  (d) Short-term Provisions	G	6,460.77 118.69	734.00 30.83	2,540.00
(a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	G	118.69	30.83	,
(a) Short-term Borrowings (b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	G	118.69	30.83	,
(b) Trade Payables (c) Other current liabilities (d) Short-term Provisions	G	118.69	30.83	,
(c) Other current liabilities (d) Short-term Provisions				0.07
(d) Short-term Provisions			24,887.16	18,601.59
` '	E	858.42	458.71	259.45
	12	37,914.58	26,110.70	21,407.11
(5)		2 1 9 = 112 0		
Total (1+2+3)		2,06,944.92	1,83,455.91	1,52,944.24
ASSETS				
Non-current Assets				
(a) Fixed assets	H			
(i) Tangible Assets		253.05	108.50	70.65
		1.03	1.47	2.45
		76.84	9.81	10.37
(iv) Intangible Assets under Development		1.21	-	-
				83.47
• •	I	2,202.14	1,157.21	1,643.03
		-	-	-
				1,35,900.51
	K			33.63
Sub-total (1)		1,60,440.35	1,65,577.35	1,37,660.64
Current Assets				
(a) Current Investments	I	149.41	438.81	47.41
(b) Inventories	U	66.79	-	-
(c) Trade Receivables	L	231.89	120.28	60.54
(d) Cash & Bank Balances	M	1,864.08	645.71	1,234.29
(e) Short-term Loans & Advances	N	809.24	1,100.45	382.11
(f) Other Current Assets	0	43,383.16	15,573.31	13,559.25
		46,504.57	17,878.56	15,283.60
Sub-total (2)	I	<u> </u>		
	(i) Tangible Assets (ii) Intangible Assets (iii) Capital work-in-progress (iv) Intangible Assets under Development (b) Non-current Investments (c) Deferred Tax Assets (Net) (d) Long-term Loans & Advances (e) Other Non-current Assets (Sub-total (1)  Current Assets (a) Current Investments (b) Inventories (c) Trade Receivables (d) Cash & Bank Balances (e) Short-term Loans & Advances	(i) Tangible Assets (ii) Intangible Assets (iii) Capital work-in-progress (iv) Intangible Assets under Development  (b) Non-current Investments (c) Deferred Tax Assets (Net) (d) Long-term Loans & Advances (e) Other Non-current Assets  (a) Current Assets (a) Current Investments (b) Inventories (c) Trade Receivables (d) Cash & Bank Balances (e) Short-term Loans & Advances N (f) Other Current Assets  O	(i) Tangible Assets       253.05         (ii) Intangible Assets       1.03         (iii) Capital work-in-progress       76.84         (iv) Intangible Assets under Development       1.21         (b) Non-current Investments       I       2,202.14         (c) Deferred Tax Assets (Net)       -       -         (d) Long-term Loans & Advances       J       1,57,796.82         (e) Other Non-current Assets       K       109.26         Sub-total (1)       1,60,440.35         Current Assets       I       149.41         (b) Inventories       U       66.79         (c) Trade Receivables       L       231.89         (d) Cash & Bank Balances       M       1,864.08         (e) Short-term Loans & Advances       N       809.24         (f) Other Current Assets       O       43,383.16	(i) Tangible Assets       253.05       108.50         (ii) Intangible Assets       1.03       1.47         (iii) Capital work-in-progress       76.84       9.81         (iv) Intangible Assets under Development       1.21       -         (iv) Intangible Assets under Development       1.21       -         (b) Non-current Investments       I       2,202.14       1,157.21         (c) Deferred Tax Assets (Net)       -       -       -         (d) Long-term Loans & Advances       J       1,57,796.82       1,64,215.25         (e) Other Non-current Assets       K       109.26       85.11         Sub-total (1)       1,60,440.35       1,65,577.35         Current Assets       U       66.79       -         (a) Current Investments       I       149.41       438.81         (b) Inventories       U       66.79       -         (c) Trade Receivables       L       231.89       120.28         (d) Cash & Bank Balances       M       1,864.08       645.71         (e) Short-term Loans & Advances       N       809.24       1,100.45         (f) Other Current Assets       O       43,383.16       15,573.31

# CONSOLIDATED REFORMATTED STATEMENT OF PROFIT AND LOSS

					(₹ in Crores)
	Douting loss	Notes		Year ended	Year ended
	Particulars	No.	March 31, 2016	March 31, 2015	March 31,2014
I.	Revenue from Operations	P	24,012.88	20,384.34	17,122.21
II.	Other Income	Q	117.05	165.55	106.73
III.	Total Revenue (I+II)		24,129.93	20,549.89	17,228.94
IV.	Expenses				
(i)	Finance Costs	R	14,282.35	11,839.59	10,034.74
(ii)	Employee Benefits Expense	S	143.19	136.75	134.54
(iii)	Depreciation & Amortization		19.67	8.32	4.51
(iv)	Corporate Social Responsibility Expenses	Т	120.29	102.07	38.73
(v)	Other Expenses	Т	355.57	104.10	87.16
(vi)	Provisions and Contingencies	Т	1,096.18	806.18	312.59
(vii)	Purchases of Stock-in-Trade		32.42	0.44	-
(vii)	Changes in inventories of Stock-in-Trade & Work-in-Progress	v	-66.79	-	-
	Total Expenses (IV)		15,982.88	12,997.45	10,612.27
V.	Profit before Prior Period Items & Tax (III-IV)		8,147.05	7,552.44	6,616.67
VI.	Prior Period Items		0.39	0.10	-0.04
VII.	Profit before Tax (V-VI)		8,146.66	7,552.34	6,616.71
VIII.	Extraordinary Items		-	-	-
VII.	Profit before Tax (V-VI)		8,146.66	7,552.34	6,616.71
VIII.	Tax Expense :				
(i)	Current Year		2,516.85	2,273.91	1,733.26
(ii)	Earlier Years/ (Refunds)		-2.77	0.77	14.12
(iii)	Deferred Tax		-58.84	-66.76	128.08
	Total Tax Expense (i+ii+iii)		2,455.24	2,207.92	1,875.46
IX.	Profit for the period from Continuing Operations (VII-VIII)		5,691.42	5,344.42	4,741.25
X.	Profit from Discontinuing Operations (after tax)		-	-	-
XI.	Profit for the period (IX+X)		5,691.42	5,344.42	4,741.25
XII.	Earnings per Equity Share (in ₹ for an equity share of ₹ 10 each)				
	(1) Basic		57.64	54.12	48.01
	(2) Diluted		57.64	54.12	48.01

# CONSOLIDATED REFORMATTED STATEMENT OF CASH FLOWS

PARTICULARS	YEAR ENDED	YEAR ENDED	YEAR ENDED,
	March 31, 2016	March 31, 2015	March 31, 2014
A. Cash Flow from Operating Activities:	0.146.66	= =======	C C4 C =4
Net Profit before Tax	8,146.66	7,552.34	6,616.71
Adjustments for:  1. Profit / Loss on Sale of Fixed Assets	0.29	0.10	0.60
Profit / Loss off Safe of Fixed Assets     Depreciation & Amortization	0.38 19.67	0.10 8.32	0.69 4.52
3. Provisions and Contingencies	1096.18	806.08	312.02
4. Allownace for Staff Advances	1090.18	0.00	0.07
5. Interest on Commercial Paper	285.91	300.03	230.88
6. Interest Expense on Misc. Borrowings	3.90	0.19	0.16
7. Excess Provision written back	-0.05	0.03	-3.18
8. Profit on sale/redemption of investments	-12.29	0.00	0.00
9. Loss/ Gain(-) on Exchange Rate fluctuation	666.13	259.99	304.27
10. Dividend from Investments	-2.37	-3.63	-0.38
11. Interest on Long-term Investments/ Govt.	-95.76	-154.47	-50.99
Securities  12. Provision made for Interest on Advance Income Tax	0.00	1.38	2.96
13. Discount on Bonds written off	3.99	4.83	4.83
14. Interest Accrued on Zero Coupon Bonds	76.17	70.39	64.97
15. Dividend & Dividend Tax paid in excess of	0.00	0.00	0.01
provision			
16. Other Finance Expenses	0.00	0.00	0.16
17. Provision for Diminution in value of Investment	0.00	0.10	0.00
18. Provision for contigencies of Project Cost revisions	0.00	0.00	1.72
Operating profit before Changes in Operating	10,188.52	8,845.68	7,489.42
Assets & Liabilities:			
Increase / Decrease :	21 722 25	21.007.04	22.427.04
1. Loan Assets	-21,733.35	-31,005.84	-22427.06
Other Operating Assets     Operating Liabilities	-229.97 1,029.88	-435.35 1,027.56	-381.60 -265.28
Cash flow from Operations	-10,744.92	-21,567.95	-203.28 - <b>15,584.52</b>
1. Income Tax Paid (including TDS)	-2575.09	-2330.28	-1667.38
2. Income Tax refund	42.00	0.00	8.27
Net Cash Flow from Operating Activities	-13,278.01	-23,898.23	-17,243.63
B. Cash Flow from Investing Activities	-13,270.01	-25,070,25	-17,243.03
1. Sale of Fixed Assets	0.85	0.18	0.26
2. Purchase of Fixed Assets (incl. CWIP &	-259.41	-45.34	-4.79
Intangible Assets under development)	-237.41	-45.54	-4.77
3. Investment in 11.15% Additional Tier-1	-500.00		
Perpetual Bonds of Indian Bank			
4. Investment in 11.25% Additional Tier-1 Perpetual Bonds of Vijaya Bank	-500.00		
5. Investment in 11.25% Additional Tier-1	-500.00		
Perpetual Bonds of Syndicate Bank			
6. Redemption of 8% Government of Madhya Pradesh Power Bonds-II	94.32	94.32	94.32
7. Sale of Long-term Investments	762.53	0.00	0.00
8. Profit on sale/redemption of investments	12.29	0.00	0.00
9. Interest on Long term Investments/ Govt. Securities	114.96	158.41	50.56
10. Dividend from Investments	3.05	3.63	0.38
11. Investment in Shares of Fellow Subsidiary	-0.10	0.00	0.00
Companies			
12. Investment in Tax Free Bonds/Others	-26.28	0.00	-5.19
11.Sale of shares of Fellow Subsidiaries	0.00	0.00	0.00
13. Fixed Deposit made during the year	-1.25	-84.49	0.00
14. Fixed Deposit matured during the year	43.34	24.38	0.00

PARTICULARS	YEAR ENDED March 31, 2016	YEAR ENDED March 31, 2015	YEAR ENDED, March 31, 2014
14. Interest Income	0.00	0.00	0.00
Net Cash Flow from Investing Activities	755.70	151.09	135.54
C. Cash Flow from Financing Activities			
1. Issue of Bonds (Net of redemptions)	14969.28	21806.74	17460.70
2. Raising of Term Loans/ STL from Banks/ FIs (Net of repayments)	-308.65	-955.40	-3049.95
3. Raising of Foreign Currency Loan (Net of redemptions)	-2607.56	6366.18	1706.32
4. Funds received from GOI for further disbursement as Subsidy/ Grant including interest ( Net of refund)	4,436.52	3421.17	2920.69
5. Disbursement of grants	-4691.45	-3639.69	-2429.28
6. Repayment of Govt. Loan	-3.07	-4.86	-7.21
7. Payment of Final Dividend	-266.61	-172.81	-148.13
8. Payment of Interim Dividend	-1184.95	-789.97	-765.28
9. Payment of Corporate Dividend Tax	-295.51	-187.32	-155.23
10. Interst Paid on Misc. Borrowings	-3.90	-0.19	-0.16
11. Premium on issue of securities	0.28	0.00	1.24
12. Issue of Commercial Paper (Net of repayments)	5246.79	-2745.74	1281.16
13. Other Finance Expenses	0.00	0.00	-0.16
Net Cash flow from Financing Activities	15,291.17	23,098.11	16,814.71
Net Increase/Decrease in Cash & Cash	1,257.46	-649.03	-293.38
Equivalents			
Cash & Cash Equivalents as at the beginning of the year	559.10	1207.95	1501.33
Cash & Cash Equivalents as at the end of the year	1,816.56	558.92	1,207.95

# IMPORTANT FINANCIAL INDICATORS (ON CONSOLIDATED BASIS)

(₹ in crores)

			(₹ in crores)
Particulars	As on/ For the year ended March 31, 2016 (Audited)	As on/ For the year ended March 31, 2015 (Audited)	As on/ For the year ended March 31, 2014 (Audited)
For Financial Entities			
Net worth	28,893.40	25,072.58	20,803.05
Total Debt	1,69,211.64	1,50,979.06	1,26,173.19
of which – Non Current			
Maturities of Long Term			
Borrowing	1,38,783.85	1,31,123.26	1,10,095.30
- Short Term			
Borrowing	6,460.77	734.00	2,540.00
- Current Maturities			
of Long Term Borrowing	23,967.02	19,121.80	13,537.89
Net Fixed Assets	332.13	119.78	83.47
Non-Current Assets	1,60,440.35	1,65,577.35	1,37,660.64
Cash and Cash Equivalents	1,816.56	558.92	1,207.95
Current Investments	149.41	438.81	47.41
Current Assets	46,504.57	17,878.56	15,283.60
Current Liabilities	37,914.58	26,110.70	21,407.11
Asset Under Management	N.A.	N.A.	N.A.
Off Balance Sheet Assets	N.A.	N.A.	N.A.
Interest Income	23,470.66	20,072.08	16,806.39
Finance Costs	14,282.35	11,839.59	10,034.74
Net interest income	9,188.31	8,232.49	6,771.65
Provisioning & Write-offs	1,096.18	806.18	312.59
PAT	5,691.42	5,344.42	4,741.25
Gross NPA (%) *	2.11%	0.74%	0.33%
Net NPA (%) *	1.61%	0.54.%	0.24.%
Tier I Capital Adequacy Ratio			
(%)			
Tier II Capital Adequacy Ratio (%)			
Total Loan Assets (net)	2,00,265.02	1,79,281.49	1,48,504.24
Capital Adequacy ratio (%)	, , , , , , , , , , , , , , , , , , , ,		, , , ,
Net interest margin *	4.82%	5.01%	4.90%
Yield on Loan Assets *	12.32%	12.23%	12.18%
Cost of funds *	8.50%	8.36%	8.31%
Return on Net worth (average)	21.09%	23.30%	24.74%
Debt equity ratio (times)	5.86	6.02	6.07
Total Assets	2,06,944.92	1,83,455.91	1,52,944.24
Return on assets (average)	2.92%	3.18%	3.34%

<sup>\*</sup> These figures have been given on standalone basis.

# OTHER FINANCIAL PARAMETERS

<b>Particulars</b>	FY 2015-16	FY 2014-15	FY 2013-14
Dividend declared (As %age on FV)	171%*	107%*	95%
Interest Coverage Ratio (times)	1.56	1.63	1.65

<sup>\*</sup> The Company has paid an interim dividend of Rs 12/- per Equity Share (on face value of ₹10/- each) in the month of February, 2016. The Board of Directors had recommended final dividend of ₹5.10 per share for the year 2015-16, which has been approved by the Shareholders in the Annual General Meeting held on 21.09.2016.

# CHANGES IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND THE RESERVES OF THE COMPANY

Financial Year	Change in accounting policies and their effect		
2016-17 (half year	During the half year ended September 30, 2016, the Company had revised the accounting		
ended as on	policy for accounting for derivatives contracts in order to align it with the 'Guidance Note		
30.09.2016)	on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants		
	of India which has become applicable from April 1, 2016. In accordance with the		

Financial Year	Change in accounting policies and their effect
	transitional provisions mentioned in the Guidance Note, an amount of ₹86.75 Crores after netting of taxes of ₹45.92 Crores had been adjusted in the opening balance of reserves, representing the change in the fair value of the interest rate swaps till March 31, 2016. Further, the fair value gain on interest rate swaps of ₹84.88 Crores has been booked to the Statement of Profit & Loss for the half year ended September 30, 2016 in accordance with the revised accounting policy.
	Further, the accounting policy on treatment of foreign currency exchange differences on the hedged loans and the corresponding derivative contracts has also been revised in order to align the same with existing accounting policy for amortising the foreign exchange fluctuation loss/(gain) on the long term foreign currency monetary items over the balance period of such items in accordance with AS-11. The impact of this change, foreign exchange fluctuation loss pertaining to the previous years ₹ 29.79 Crores and foreign exchange fluctuation gain pertaining to current period ₹ 0.21 Crores has been adjusted in the Finance Cost for the period ended 30th September 30, 2016. Due to these changes in accounting policies, profit before tax for the half year ended September 30, 2016 is higher by ₹ 55.30 Crores.
2015-16	During the year ended 31st March, 2016, the Company had revised the accounting policy in respect of asset classification in line with RBI Guidelines. Further, the accounting policy for creation of allowance against Standard Loan assets has been modified to align it with the revised provisioning requirements for Standard Loans as per RBI Notification dated 10th November, 2014. Due to these changes in accounting policy, profit before tax for the year ended 31st March, 2016 is lower by ₹ 87.87 Crores.
	Further, minor modifications have been made in the Accounting Policy in respect of basis of preparation of financial statements, revenue recognition, intangible assets and cash flow statements. However, there is no financial impact of such modifications.
2014-15	Consequent to the notification of Companies Act, 2013, modifications have been made in Significant Accounting Policy No. 1(a) and 7. Further, modifications have been made in Significant Accounting Policy No. 2, 6. However, there is no financial impact of such modifications.
	The Company has also changed its Significant Accounting Policy 4.1 regarding depreciation on fixed assets in alignment with Schedule-II to the Companies Act, 2013 which has become applicable from 1st April, 2014. If the company had followed the earlier policy, profit before tax for the year would have been higher by ₹ 2.89 Crores.
	Further, the accounting policy on Provisioning against Loans has been amended to create provision @ 2.75% on stock of restructured loans. Thus, during the year, a provision has been made amounting to ₹ 451.77 Crores (Previous year Nil) on qualifying loans(comprising of loans to Public sector ₹ 11,682.23 Crores and loans to Private sector ₹ 4,745.92 Crores). Due to this change in accounting policy, the profit before tax is lower by ₹ 410.70 Crores after considering the existing provision on standard loan assets on theses restructured loans.
2013-14	Modifications were made in Significant Accounting Policy regarding basis of preparation of financial statements, income recognition, income from investments, asset classification, intangible assets, investments and current tax & deferred tax to make it more clarificatory/explicit. However, there was no financial impact of such modifications.
	Further, the Company changed its Significant Accounting Policy regarding provision on Standard Assets which was created at 0.25% of the outstanding standard assets as against creating it in a phased manner upto March 31, 2015. If the company had followed the earlier policy, the profit after tax for the year would have been higher by ₹ 105.74 crore.

# ANNEXURE C: CONSENT LETTER OF TRUSTEE

Corporate Office: Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai - 400 020

Tel: 022-4302 5555 Fax: 022-2204 0465 Email: helpdesk@sbicaptrustee.com



Date: 29th March, 2017.

Rural Electrification Corporation Ltd. Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003, India

Dear Sir,

Kind Attn: Mr. Rajesh Kumar Gupta - Dy. General Manager (Fin)

Proposed Bond issue by Rural Electrification Corporation Ltd. (the "Company") of private placement of Capital Gain Tax Exemption Bonds (the "Debentures") for Financial Year 2017-18

We the undernamed, hereby give our consent to act as Debenture Trustee for the proposed captioned Private placement of debentures and to include our name as Debenture Trustee in the Schedule I as per the Securities and Exchange Board of India guidelines.

We hereby authorise you to deliver this letter of consent to any other regulatory authority as may be required by law.

The following details with respect to us may be disclosed:

Name

: SBICAP Trustee Company Limited

Address

: Apeejay House, 6th floor

3, Dinshaw Wachha Road, Churchgate,

Mumbai 400 020.

Telephone No.

: 022-43025555

Fax No.

:022-22040465

E-mail

: corporate@sbicaptrustee.com

Website

: www.sbicaptrustee.com

Contact Person

: Mr. Ajit Joshi (Company Secretary & Compliance Officer )

Tel No. 022-43025503

SEBI Registration No.: IND000000536

We hold permanent registration certificate under SEBI Debenture Regulations, 1993 (copy enclosed).

Yours faithfully,

**Authorised Signatory** 

Los

# **ANNEXURE D: CREDIT RATING LETTERS**



Mr. A. K. Agarwal
Director – Finance
Rural Electrification Corporation Ltd
Core 4, Scope Complex,
7, Lodhi Road, New Delhi - 110003

March 30, 2017

## Confidential

Dear Sir,

# Credit rating for proposed FY18 Market Borrowing Programme

Please refer to your request for rating of market borrowing programme for FY18 aggregating to Rs. 55,000 crore of your company.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Remarks
Market Borrowing Programme - FY18	55,000* (Rupees Fifty Five Thousand Crore Only)	CARE AAA; Stable/CARE A1+ [Triple A; Outlook: Stable/ A One Plus]	Assigned

<sup>\*</sup> Including short term market borrowing programme of Rs.5000 crore as sublimit of total MBP for FY18

- The Commercial Paper/Short term debt issue would be for a maturity not exceeding one year.
- The rationale for the rating will be communicated to you separately.
- Please arrange to get the rating revalidated, in case the issue is not made within a period
  of six months for long term rating and two months for short term rating from the date of
  our initial communication of rating to you (that is March 30, 2017).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.



<sup>1</sup>Complete definitions of the ratings assigned are available at <u>www.careratings.com</u> and in other CARE publications.

6

Page 1 of 3

CREDIT ANALYSIS & RESEARCH LTD.

 Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.] as soon as

the instruments have been placed.

8. Kindly arrange to submit to us a copy of each of the documents pertaining to the issues,

including the offer document and the trust deed.

9. CARE reserves the right to undertake a surveillance/review of the rating from time to

time, based on circumstances warranting such review, subject to at least one such

review/surveillance every year.

10. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of

new information or in the event of failure on the part of the company to furnish such

information, material or clarifications as may be required by CARE. CARE shall also be

entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned

rating in any manner considered appropriate by it, without reference to you.

11. Users of this rating may kindly refer our website www.careratings.com for latest update

on the outstanding rating.

12. CARE ratings are not recommendations to buy, sell, or hold any securities or sanction,

renew, disburse or recall the concerned bank facilities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed,

grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

Riya Aneja

[Analyst]

riya.aneja@careratings.com

Gauray Dixit

[Assistant General Manager]

gaurav.dixit@careratings.com

Page 2 of 3

RURECLT/175035/LTBP/041601556/1 March 30, 2017



Mr. Ajeet Agarwal Director - Finance Rural Electrification Corporation Limited Core-4, SCOPE Complex, 7, Lodhi Road New Delhi-110 003 Tel.: 011-24365162

Fax: 011-24366 948 / 2436 9846

Dear Mr. Agarwal,

Re: CRISIL Rating on the Rs.50000 Crore Long-Term Borrowing Programme\* of Rural Electrification Corporation Limited

We refer to your request for a rating for the captioned Long-Term Borrowing Programme.

CRISIL has, after due consideration, assigned its "CRISIL AAA/Stable" (pronounced as CRISIL triple A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely.

Ajit Velonie

Director- CRISIL Ratings

Nivedita Shibu

Associate Director - CRISIL Ratings

\* Total incremental long-term bank borrowing and borrowings under the rated long-term bonds programme not to exceed Rs.50000 crore any point in time during fiscal 2018 (refers to financial year, April 1 to March 31).

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument, it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers is users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301. Corporate Identity Number 267 230M 17987 Pt 0042303



Mr. A. K. Agarwal
Director - Finance,
Rural Electrification Corporation Limited,
Core-4, SCOPE Complex,
7-Lodhi Road
New Delhi - 110003

March 29, 2017

# Kind Attn: Mr. A. K. Agarwal, Director - Finance

Dear Sir.

# Re: Rural Electrification Corporation Limited - Borrowing Programme Ratings.

India Ratings and Research (Ind-Ra) has rated Rural Electrification Corporation Limited's (REC) FY18 long-term annual borrowing programme and short-term borrowing programme as follows:

- -INR500bn Long-term annual borrowing programme (FY18): assigned IND AAA/Stable
- -INR50bn Short-term borrowing debt programme (including commercial paper and bank guarantee) (FY18): assigned IND A1+

A full list of outstanding ratings is provided below.

- FY17 INR70bn short-term debt/commercial paper programme (including bank guarantee): 'IND A1+'
- FY17 INR350bn long-term borrowing programme: 'IND AAA'/Stable
- FY16 INR230.03bn long-term borrowing programme: 'IND AAA'/Stable
- FY15 INR301.28bn borrowing programme: 'IND AAA'/Stable
- FY14 INR252.67bn borrowing programme: 'IND AAA'/Stable
- FY13 INR155.52bn borrowing programme: 'IND AAA'/Stable
- FY12 INR130.94bn borrowing programme: 'IND AAA'/Stable
- FY11 INR101.70bn borrowing programme: 'IND AAA'/Stable
- FY10 INR58.494bn borrowing programme: 'IND AAA'/Stable
- FY09 INR36.462bn borrowing programme: 'IND AAA'/Stable
- 1'Y08 INR15.68bn borrowing programme: 'IND AAA'/Stable
- FY07 INR3.15bn borrowing programme: 'IND AAA'/Stable

India Ratings notes that the ratings are assigned to the programme and not to the notes issued under the programme. There is no assurance that notes issued under the programme will be assigned a rating, or that the rating assigned to specific issue under the programme will have the same rating as the rating assigned to the programme.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.



The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any thirdparty verification can ensure that all of the information India Ratings relies on in connection with a rating will
be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the
information they provide to India Ratings and to the market in offering documents and other reports. In issuing
its ratings India Ratings must rely on the work of experts, including independent auditors with respect to
financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forwardlooking and embody assumptions and predictions about future events that by their nature cannot be verified as
facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions
that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter and any changes thereof to the investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient





Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at 022 - 4000 1700.

Sincerely,

India Ratings

Devendra Kumar Pant Senior Director Sunil Kumar Sinha

Director



# **ICRA** Limited

D/RAT/2016-2017/R7/15

March 31, 2017

Mr. Sanjay Kumar AGM-Finance Rural Electrification Corporation Limited Core 4 A, SCOPE Complex 7, Lodhi Road New Delhi – 110003

Dear Sir.

Re: ICRA Credit Rating of the Rs. 50,000 crore Long Term Borrowing Programme (including Bonds and Long Term Bank Borrowings) of Rural Electrification Corporation Limited for the Financial Year 2017-18

Please refer to your Rating Agreement dated March 24, 2017 for carrying out the rating of the aforesaid Long Term Borrowing Programme. The Rating Committee of ICRA, after due consideration, has assigned a "[ICRA] AAA" (pronounced as ICRA Triple A) rating to the captioned Long term Borrowing Programme. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. In any of your publicity material or other document wherever you are using our above rating, it should be stated as [ICRA] AAA (Stable).

We would appreciate if you can sign on the duplicate copy of this letter and send it to us latest by April 15, 2017 as acceptance on the assigned rating. The rationale for assigning the above rating will be sent to you on receipt of your acceptance on rating, as above in case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website as non accepted credit rating. This is in line with requirements as prescribed in the circular dated November 1, 2016 on 'Enhanced Standards for Credit Rating Agencies' issued by the Securities and Exchange Board of India, which states the following:

" Each CRA shall disclose on its website details of all ratings assigned by them, irrespective of whether the rating is accepted by the issuer or not, even in the case of non-public issues".

Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

1 Junger

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Building No. 8, 2 Floor Towar A, DLF Cyber City Tel.: +91.124.4545300 Fax: +91.124.4050424 CIN: 17499901:191191 0042749

Website www.icra.in Email Info@licraindla.com



This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. The rating is restricted to your Long Term Borrowing programme size of Rs. 50,000 crore only. Further the total utilisation of the captioned rated Long Term borrowings programme (including Bonds, Long Term Bank Borrowings and Bank guarantees) and Short Term borrowing (including Commercial Paper & Short term bank borrowings) programme should not exceed Rs. 55,000 crore for financial year 2017-18. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. More specifically, the rating assumes that there will be no acceleration clause under the proposed borrowing programme

ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds to be issued by you.

You are requested to furnish a periodic statement (as per enclosed format) of timely payment of all obligations on your rated debt program. You are requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing.

You are also requested to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for reschedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s)/investor(s).

Further, you are required to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us. We look forward to your communication and assure you of our best services.

With kind regards.

Yours sincerely, for ICRA Limited

Robit Inamdar

Joseph 31

Senior Vice President

Gaurav Khandelwal Senior Analyst

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ANJAY KUMAR

# **ANNEXURE E: APPLICATION FORM**

# **Private & Confidential - Not for Circulation** RURAL ELECTRIFICATION CORPORATION LIMITED 54EC Bonds Application Number

(A Navratna Company)

Regd. Office: Core-4, SCOPE Complex, 7, Lodi Road, New Delhi-110 003.

APPLICATION FORM FOR NON-CONVERTIBLE REDEEMABLE SECURED

TAXABLE BONDS, SERIES XI WITH BENEFITS UNDER SECTION 54EC OF INCOME TAX ACT, 1961

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### INSTRUCTIONS

### INSTRUCTIONS FOR INVESTORS

- Application Forms must be completed in BLOCK LETTERS IN ENGLISH. A blank space must be left between two or more parts of the name.
- 2) Minimum investment-2 Bonds of Rs. 10000/- each and maximum investment-500 Bonds amounting to Rs. 50 lakhs in a financial year.
- 3) a) Investors are required to submit the Application Form duly filled along with either a Demand Draft or account payee Chequepayable in favour of "Rural Electrification Corporation Limited - 54EC Bonds" along with necessary enclosures at the designated branches of collecting banks- Canara Bank, HDFC Bank, IDBI Bank, IndusInd Bank, YES Bank, ICICI BANK or AXIS BANK
  - b) Applicant should mention his name, address and application number on the reverse of the Cheque/ Demand Draft. Cash, Money Orders or Postal Orders will **NOT** be accepted.
  - c) For details of designated bank branches, please refer Information Memorandum (IM) or visit our website: www.recindia.com.
  - d) Investors are advised in their own interest to fill up complete details of their bank particulars alongwith a cancelled cheque. In absence of such information, the interest & redemption warrants shall be mailed at given address at applicant's sole risk.
  - e) A copy of Information Memorandum for the Bond issue is attached herewith for reference & record.
- 4) Application once submitted cannot be withdrawn and subscription amount will not be refunded (as per IM).
- 5) In case neither the PAN nor the GIR No. has been allotted, or the Applicant is not assessed to income tax, the appropriate information should be mentioned in the space provided. In case the investor has applied for and not yet been allotted the PAN/GIRNo. then he is required to furnish a copy of the acknowledged Form 49A. In case the investor is applying through a demand draft and PAN/GIR No. has not been allotted he is required to furnish a declaration in Form 60.
- 6) In case of application under the Power of attorney or by Limited Companies or other corporate bodies, a certified copy of the Power of Attorney or a copy of the approval of the relevant authority, as the case may be should be submitted along with the Application Form.
- 7) In case a partnership firm makes investments, the application is required to be made in the name of the partnership firm and the application form can be signed by any partner(s) authorised to do in this behalf and affixing a rubber stamp of the firm.
- 8) The applications would be accepted as per the provisions of the IM of the issue, other applicable rules and regulations. REC is entitled, at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reason. An Application Form that is not complete in all respect is liable to be rejected.
- 9) It is advisable that investor keeps a photocopy of the application form and mentions his/her **mobile number, email ID** in the application form.
- 10) In case of Bonds allotted under Demat Mode, the demographic details will be picked up from the DPID/ CLIENT ID i.e., Payment warrants would be prepared in favour of sole/ first applicant and issued as per the details identified by the Bondholder's Demat Account. Therefore, Bank particulars in the Application Form should match with the bank details provided in the Demat Account.
- 11) As a matter of precaution against possible fraudulent encashment of interest/redemption warrants due to loss/ misplacement, applicants are requested to mention the full particulars of their bank account, as specified in the Application Form. In case, where the investor applies for bonds under Physical Mode, all the Payment Warrants will be issued as per the details captured in the Register of Bondholders and any discrepancy arising due to wrong information furnished in the application form shall at the applicant's sole risk.
- 12) **ISSUE HIGHLIGHTS**: Interest rate is 5.25% payable annually on June 30th. Lock in period of 3 years (No transfer is permitted). The Bonds will automatically redeem after expiry of three years. Bonds are AAA rated by CRISIL, CARE, ICRA and IRRPL.
- 13) Interest/Redemption shall be paid by way of warrant/NECS/RTGS/NEFT payable at par at locations where collection centres are appointed. Interest is payable annually on 30th June every year till date of redemption.
- 14) Vide notification No. 359/2002 dated 2<sup>nd</sup> December, 2002, the Corporation has been **exempted from deduction of tax at source** under section 193 of the Income Tax Act 1961, on the interest payable **on REC 54 EC Capital Gain Tax Exemption Bonds**.
- 15) REC reserves the right to revise the coupon rate and/or close the issue by giving a notice. All applications submitted but not accepted by REC would be returned by REC to the applicant without any interest.
- 16) For status of allotment/ servicing or any other details, please contact our RTA/ REC Investors Services Cell.

# RURAL ELECTRIFICTION CORPORATION LIMITED KNOW YOUR CUSTOMER FORM (FOR INVESTOR)

Name of Applicant (1st Applicant)/HUF/Corporate/Firm/Trust/Funds etc.																				
DANI	/DINI	/1																		
PAN	/DIN	(Issu	ed by	/ MC/	A, VVr	nerev	erap	plica	ble)											
Pern	nane	ntAd	dress	s (with	tele	phon	e nos	s.) in	case	of Ind	dividu	ual ar	nd HU	JF						
Busi	ness	/Offic	e Add	dress	(with	tele	phon	e and	fax	nos)	wher	ever	appli	cable						1

Signature of Applicant

### **ALL INVESTORS TO PROVIDE**

- Self-attested copy of PAN Card (In case of Joint application, self-attested PAN copy of all the applicants) or Form 60 where bond application size is Rs. 50,000/- or more.
- Photo Copy of cancelled Cheque for NECS facility.

#### (a) For Resident Indian Nationals

Documents in support of Name and Address (copies attested by Gazetted Officer/Notary/Self Attested in case of Individual only)

PAN Card and any one of the following

(i) AADHAAR Card (ii) Passport (iii) Driving Licence (iv) Identify Card issued by any institution (v) Copy of the electricity bill or telephone bill showing residential address (vi) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (vii) voters identity card (viii) Ration Card.

### (b) For NRIs/ Other foreign eligible investor

(i) Passport-Mandatory (ii) Driving Licence

### (c) For Corporate-Investor

Documents in support (copies attested by Company Secretary/Director

(i) Certificate of incorporation and Memorandum & Articles of Association (ii) Resolution of the Board of Directors and identification of those who have authority to operate (iii) Power of Attorney granted to its managers, officers or employees to transact business, on its behalf (iv) Copy of PAN/PAN Allotment letter.

### (d) For Partnership Firms-Investor

Documents in support (copies attested by Notary)

(i) Registration certificate, if registered (ii) Partnership deed (iii) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf (iv) Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses (v) Telephone bill in the name of firm/partners (vi) Copy of PAN/PAN Allotment letter.

### (e) Trust & Foundations-Investor

Documents in support (copies attested by Notary)

(i) Certificate of registration, if registered (ii) Power of Attorney granted to transact business on its behalf (iii) Any officially valid document to identify the Trustees, Settlors, Beneficiaries and those holding Power of Attorney, Founders/Managers/ Directors and their addresses (iv) Resolution of the managing body of the Foundation/Association (v) Telephone bill (vi) Copy of PAN/PAN Allotment letter (otherwise exemption certificate issued by IT Authorities)

### APPLICANT'S UNDERTAKING

I/We hereby agree and confirm that:

address; or

- 1. I/We have read, understood and agreed to the contents and terms & conditions of Rural Electri fication Corporation Limited Private Placement Information Memorandum for Bond Series-XI, provisions of Section 54EC of Income Tax Act, 1961 and other related laws.
- 2. I/We confirm that the information provided in this form is true & correct and I/We enclose herewith Self attested copies of KYC Documents.

**Applicant's Signature** 

### FORM NO. 60

(See second proviso to rule 114B)

Form of declaration to be filled by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B

1.	Full	name and address of the declarant
2.	Part	iculars of transaction,.
3.	Amo	ount of the transaction:
4.	Are	you assessed to tax?
5.	if ye	s,
	(i)	Details of Ward/Circle/Range where the last return of income was filed?
	(ii)	Reasons for not having permanent account number?
6.	Deta	ails of the document being produced in support of address in serial no. 1 above**.
		Verification
I		do hereby declare that what is stated above is true to the best of my knowledge and belief.
Vei	ified to	oday, the day of
Da	te :	
Pla	ce :	
		Signature of the declarant
		nts as an address proof :- ** of the following)
	Ratio Passp	on Card or ADHAAR Card ; port ;
		ing Licence;
		of the electricity bill or telephone bill showing residential address; other document or communication issued by any authority of the Central Government, State Government or local bodies showing residential

Registrar and Transfer Agent (R&TA): Any further communications in connection with this application (quoting the application number) should be addressed to "Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana 500 032 Contact Person: Mr. M Murali Krishna & Mr. R.Williams, Tel: +91 40 67162222, Fax: +91 40 2343 1551, Email: rec54ecbonds@karvy.com.

REC Investors Service Cell: Rural Electrification Corporation Ltd, Core - 4, SCOPE Complex, 7, Lodi Road, New Delhi 110003, Tel.:+911143091527, 24361320 Fax.:+911124362056 Toll Free No. 1800-200-1333, Email: investorcell@recl.nic.in

(f) Any other valid documentary evidence in support of his address given in the declaration.

# ANNEXURE F: BOARD AND SHAREHOLDER RESOLUTIONS



# रूरल इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड **Rural Electrification Corporation Limited**

(भारत सरकार का उद्यम) / (A Government of India Enterprise)

Regd. Office: Core-4, SCOPE Complex, 7 Lodhi Road, New Delhi 110 003 Tel: +91-11-4102 0101 Fax: +91.11.2436 0644 E-mail: reccorp@recl.niq.in CIN: L40101DL1969GOI005095 Website: www.recindia.nic.in

CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY SHAREHOLDERS OF RURAL ELECTRIFICATION CORPORATION LIMITED AT THE 47TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 21ST DAY OF SEPTEMBER, 2016.

Item No. 14 Issue of Unsecured/Secured Non-Convertible Bonds/Debentures through Private Placement as per the provisions of the Companies Act, 2013 and Rules made there under.

"RESOLVED THAT in accordance with the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 and other applicable SEBI regulations and guidelines, the circulars / directions / guidelines issued by Reserve Bank of India from time to time, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of necessary approvals as may be applicable and such other approvals, permissions and sanctions, as may be necessary, including the approval of any existing lenders / trustees of Debenture Holders, if so required under the terms of agreement / deed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, consent of the Company be and is hereby accorded to raise funds through private placement of unsecured/secured non-convertible bonds / debentures upto ₹ 50,000 crore during a period of one year from the date of passing of this resolution, in one or more tranches, to such person or persons, who may or may not be the bond/debenture holders of the Company, as the Board (or any duly constituted Committee of the Board or such other authority as may be approved by the Board) may at its sole discretion decide, including eligible investors (whether residents and/or non-residents and/or institutions/ incorporated bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets) including Non-Resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions, Bodies Corporate, companies, private or public or other entities, authorities and to such other persons in one or more combinations thereof through Private Placement in one or more tranches and including the exercise of a green-shoe option (within the overall limit of ₹ 50,000 crore, as stated above), if any, at such terms as may be determined under the guidelines as may be applicable and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to any Private Placement of unsecured/secured non-convertible bonds/debentures, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board be and is hereby authorized to determine the terms of the Issue, including

Zonal Offices

: Hyderabad, Kolkata, Mumbai, Panchkula & Lucknow

Project Offices : Bangalore, Bhopal, Bhubaneswar, Chennai, Guwahati, Jaipur, Jammu

Patna, Ranchi, Shillong, Shimla, Thiruvananthapuram & Vadodara

Sub Offices

: Dehradun, Raipur

Training Centre: Central Institute for Rural Electrification (CIRE), Hyderabad



the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/ discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration / undertaking etc. required to be included in the Private Placement Offer Letter and to do and execute all such acts, deeds and things under any other regulatory requirement for the time being in force."

CERTIFIED TRUE COPY

कृते रूरल इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड For Rural Electrification Corporation Ltd.

> (जे. एक: अभिवाम/J. S. AMITABH) महत्त्रबंधक एवं कम्पनी सचिव/GM & CS



# रूरल इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड Rural Electrification Corporation Limited

(भारत सरकार का उद्यम) / (A Government of India Enterprise) Regd. Office: Core-4, SCOPE Complex, 7 Lodhi Road, New Delhi 110 003 Tel: +91-11-4102 0101 Fax: +91.11.2436 0644 E-mail: reccorp@recl.nic.in CIN: L40101DL1969GOI005095 Website: www.recindia.nic.in



CERTIFIED COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF RURAL ELECTRIFICATION CORPORATION LIMITED IN ITS 430TH BOARD MEETING HELD ON 24TH MARCH, 2017.

Item No. 430.4.6

Launch of Capital Gains Tax Exemption Bonds Series XI under Section 54EC of the Income Tax Act, 1961 through Private Placement basis during FY 2017-18.

The Board, after discussion, approved the proposal as detailed in the Agenda Note and passed the following resolution:

"RESOLVED THAT the proposal for launch of a fresh Series 'XI' of 54 EC Capital Gains Tax Exemption Bonds during the FY 2017-18 starting from 01.04.2017 to 31.03.2018 or any extended period as may be decided by REC or till any notification/ modification is done by the Govt. in the relevant Section i.e. 54 EC of the Income Tax Act, 1961 which ever is earlier, broadly on the terms and conditions given in the Information Memorandum be and is hereby approved with authorization to CMD/ Director (Fin.) to take all further necessary action in this regard including extension/ appointment and fixing the terms of engagement of various intermediaries and associates such as Mobilizers, Collecting Bankers, Debenture Trustees, Legal Advisor/ Counsel, Registrar etc."

"RESOLVED FURTHER THAT the CMD/Director (Fin.) be and are hereby authorized to increase or decrease coupon rate, issue timing including issue date and pre-close of the issue and/ or intermediaries fee during the tenure of the issue as may be required by the market conditions."

"RESOLVED FURTHER THAT Director (Fin.)/ Exe. Director (Fin.)/G.M. (Fin.)/ Addl. G.M. (Fin.)/ Dy. G.M. (Fin.) be and are hereby severally authorized to make necessary arrangements for printing of bond certificates on completion of allotment of bonds and seek affixation of signatures of any two officers of the level of Executive Director (Fin)/ G.M. (Fin) or any other authority as decided by CMD/Director (Fin.), by means of mechanical printing on bond certificates."

"RESOLVED FURTHER THAT the CMD/ Director (Fin.) be and are hereby severally authorized to approve creation of additional charge on immovable and/ or movable properties of the Corporation in favour of trustees for bond holders. Executive Director (Fin.)/ G.M.(Fin.)/addl. G.M.(Fin.)/ Dy. G.M.(Fin) along with G.M.(Legal)/ addl. G.M.(Legal)/ Dy. G.M.(Legal) be and are hereby severally authorized to execute the necessary documents in this regard."

Zonal Offices

: Hyderabad, Kolkata, Mumbai, Panchkula & Lucknow

Project Offices : Bangalore, Bhopal, Bhubaneswar, Chennai, Guwahati, Jaipur, Jammu, Patna, Ranchi, Shillong, Shimla,

Thiruvananthapuram & Vadodara

Sub Offices

: Dehradun, Raipur

Training Centre : Central Institute for Rural Electrification (CIRE), Hyderabad

"RESOLVED FURTHER THAT the Director (Fin.)/ Company Secretary be and are hereby severally authorized to execute and file necessary documents for creation/modification/satisfaction of charge with the office of Registrar of Companies and also filling of the petitions before the Company Law Board/ Court wherever required for the various series of the REC Bonds issued form time to time as prescribed under the provisions of the Companies Act 2013."

"RESOLVED FURTHER THAT the Director (Fin.)/ Executive Director (Fin.)/ G.M.(Fin.)/ Addl. G.M.(Fin.)/ Dy. G.M.(Fin.)/ Chief Manager (F&A) be and are hereby severally authorized to file necessary documents with NSDL/CDSL/ SEBI, to issue corrigendum/modification to Information Memorandum, if any, and also to approve consolidation/ splitting of bonds, taking note of nomination/ change of nomination/ subdivision of allotment letters/ bonds and vice versa and conversion from physical to de-mat form/ re-mat/ transmission of all bonds."

"RESOLVED FURTHER THAT the Company Secretary and in his absence authorized persons from CS Division /Dy GM (Fin) be and are hereby authorized to affix Common Seal of the Corporation on any document, if so required in connection with 54 EC Capital Gains Tax Exemption Bonds in accordance with the provisions of Articles of Association of the Corporation."

प्रमाणित सत्य प्रतिलिपि CERTIFIED TRUE COPY को जरल इलेक्टीफिकेशन कारपोरेशन लिमिटेड

कृते रूरल इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड For Rural Electrification Corporation Ltd.

> (जे. एस. अर्गिताभ) J. S. AMITABH) महाप्रबंधक एवं कम्प्ती सचिव/GM & CS