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(THIS DISCLOSURE DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS). THIS DISCLOSURE DOCUMENT IS PREPARED AND ISSUED IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2008/13/127878 DATED JUNE 06, 2008, AS AMENDED BY SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2012-13/19/5392 DATED OCTOBER 12, 2012 AND CIR/IMD/DF/18/2013 DATED OCTOBER 29, 2013) AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2014 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2013-14/43/207 DATED JANUARY 31, 2014 AND SECTION 42 OF THE COMPANIES ACT, 2013 AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014.



**TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED
(TANGEDCO)**

(Government of Tamil Nadu Undertaking)
NPKRR Maaligai, 144, Anna Salai, Chennai - 600 002.

Phone : 044-28520131, Fax No: 044-28521561, website: <http://www.tangedco.gov.in>

DISCLOSURE DOCUMENT

DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF STATE GOVERNMENT GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON CONVERTIBLE TAXABLE BONDS OF RS. 10.00 LACS EACH FOR CASH AT PAR AGGREGATING TO RS.110.50 CRORES BY TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED ("TANGEDCO"/ "THE ISSUER") SERIES-3/2016-17.

HIGHLIGHTS

- Impeccable track record of timely servicing of its debt obligation to all the bond holders.
- Unconditional & Irrevocable Guarantee by Govt. of Tamil Nadu for the timely servicing of the bond obligation backed by the Escrow Mechanism.
- Credit rating shows low credit risk, making it a safe investment option.
- Put/ Call Option: At the end of 7th Year.
- Attractive returns: Coupon Rate of 9.25% p.a. payable semi-annually.
- Annualized Yield: 9.464%.
- Maturity: 10 years.
- Ratings Assigned – "Provisional IND A (SO)" by India Rating & Research Pvt Ltd."

GENERAL RISK

Investment in debt instruments involves a degree of risk and investors should invest any funds in the issue only after reading the risk factors in the Disclosure Document carefully including the risk involved. The Securities have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

ISSUER'S ABSOLUTE RESPONSIBILITY

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in the Disclosure Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

Provisional IND A (SO) (exp) by **“India Rating & Research Pvt Ltd** and **Provisional ICRA “A- (SO)**” by **ICRA Ltd** for the current issue of Bonds. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

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

LISTING

Proposed to be listed on the Wholesale Debt Market (“WDM”) Segment of BSE Limited. (“BSE”).

| DEBENTURE TRUSTEE TO THE ISSUE | REGISTRAR TO THE ISSUE |
|---|---|
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| BANKER(S) TO THE ISSUE (in alphabetic order) | |
|  HDFC BANK LIMITED FIG, Department, 9 th floor, No. 115, Dr. Radha Krishnan Salai, Mylapore, Chennai- 600 004 Tele: 044-28477282/283/285 Fax: 044-28477250 Email: fig.chennai@hdfcbank.com ; mariappan.sivagnanam@hdfcbank.com |  STATE BANK OF INDIA Commercial Branch, 232, N.S.C. Bose Road, Chennai – 600 001 Tele: 044-25341316/2074/2609 Tele Fax: 044- 25341316/ 25353722 Email: sbi.0734@sbi.co.in |

ISSUE PROGRAMME

| | |
|--------------------------|--|
| ISSUE OPENING DATE | 8 TH February 2017 |
| ISSUE CLOSING DATE | 28 th February 2017 |
| PAY IN DATES | 8 th February to 28 th February 2017 |
| DEEMED DATE OF ALLOTMENT | 10 th March 2017 |

The issuer reserves the right to pre pone the issue earlier from the aforesaid date or post pone the issue at its sole and absolute discretion without giving any reasons or prior notice. In the event of any change in the above issue programme, the Issuer will intimate the investors about the revised issue programme.

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* **DISCLAIMER(S)**

1. DISCLAIMER OF THE ISSUER:

This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended CIR/IMD/DF/18/2013 Dated October 29, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (amendment) regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and section 42 of the companies act, 2013 and the companies (prospectus and allotment of securities) rules, 2014. This Disclosure Document does not constitute an offer to public in general to subscribe for or otherwise acquire the Bonds to be issued by TANGEDCO (THE "ISSUER"). This Disclosure Document is for the exclusive use of the addressee and restricted for only the intended recipient and it should not be circulated or distributed to third party (ies). It is not and shall not be deemed to constitute an offer or an invitation to the public in general to subscribe to the Bonds issued by the Issuer. This bond issue is made strictly on private placement basis. Apart from this Disclosure Document, no offer document or prospectus has been prepared in connection with the offering of this bond issue or in relation to the issuer.

This Disclosure Document is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the bonds issued by TANGEDCO (THE "ISSUER"). This Disclosure Document has been prepared to give general information regarding TANGEDCO (THE "ISSUER") 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. TANGEDCO (THE "ISSUER") believes that the information contained in this Disclosure Document is true and correct as of the date hereof. TANGEDCO (THE "ISSUER") does not undertake to update this Disclosure Document to reflect subsequent events and thus prospective subscribers must confirm about the accuracy and relevancy of any information contained herein with TANGEDCO (THE "ISSUER"). However, TANGEDCO (THE "ISSUER") reserves its right for providing the information at its absolute discretion. TANGEDCO (THE "ISSUER") accepts no responsibility for statements made in any advertisement or any other material and anyone placing reliance on any other source of information would be doing so at his own risk and responsibility.

Prospective subscribers must 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 risk of investing in Bonds. It is the responsibility of the prospective subscriber 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 prospective subscriber to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Bonds. Nothing in this Disclosure Document should be construed as advice or recommendation by the Issuer or by the Arrangers to the Issue to subscribers to the Bonds. The prospective subscribers also acknowledge that the Arrangers to the Issue do not owe the subscribers any duty of care in respect of this private placement offer to subscribe for the bonds.

Prospective subscribers should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Bonds and matters incidental thereto.

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The Issuer reserves the right to withdraw the private placement of the bond issue prior to the issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

2. DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA:

This Disclosure Document has not been filed with Securities & Exchange Board of India ("SEBI"). The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Disclosure Document. The Issue of Bonds being made on private placement basis, filing of this Disclosure Document is not required with SEBI. However SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Disclosure Document.

3. DISCLAIMER OF THE STOCK EXCHANGE:

As required, a copy of this Disclosure Document has been submitted to the BSE Limited. (Here-in-after referred to as "BSE") for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

4. DISCLAIMER IN RESPECT OF JURISDICTION:

The private placement of Bonds is made in India to Companies, Corporate Bodies, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such Trust/ Society is authorised under constitution/ rules/ byelaws to hold bonds in a Company, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Insurance Companies, Commercial Banks including Regional Rural Banks and Cooperative Banks, Provident, Pension, Gratuity, Superannuation Funds as defined under Indian laws. The Disclosure Document does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Disclosure Document comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the courts at Chennai. All information considered adequate and relevant about the Issuer has been made available in this

Disclosure Document for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever.

5. DISCLAIMER BY RESERVE BANK OF INDIA:

The Securities have not been recommended or approved by the Reserve Bank of India nor does RBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the securities have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the securities being issued by the Issuer or for the correctness of the statements made or opinions expressed in this document. Potential investors may make investment decision in the securities offered in terms of this Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.

6. DISCLAIMER BY DEBENTURE TRUSTEE:

The debenture trustee is not a guarantor and will not be responsible for any non-payment of interest and redemption and/or any loss or claim.

(A) ISSUER INFORMATION: NAME AND ADDRESS OF THE FOLLOWING:

| SR. No | PARTICULARS : | | DETAILS |
|---------------|--|---|--|
| (i) | REGISTERED OFFICE OF THE ISSUER | | |
| • | Name | : | TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LIMITED (TANGEDCO) |
| • | Address | : | NPKRR Maaligai, 144 Anna Salai Chennai-600002 |
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| • | Website | : www.icra.in |
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| D | Name | : M/s. K. Gopal Rao & Co., |
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B) BRIEF SUMMARY OF BUSINESS/ ACTIVITIES OF COMPANY AND ITS LINE OF BUSINESS CONTAINING ATLEAST FOLLOWING INFORMATION:-

(i) OVERVIEW:-

On 1st July 1957, Tamil Nadu Electricity Board came into being and has remained the energy provider and distributor all these years. During the period the Government has extended the electrical network to all the villages and towns throughout the state. After 53 years of journey on 1st of November 2010 it has restructured itself into TNEB Ltd; Tamil Nadu Generation and Distribution Corporation (TANGEDCO) Ltd; and Tamil Nadu Transmission Corporation (TANTRANSCO) Ltd.

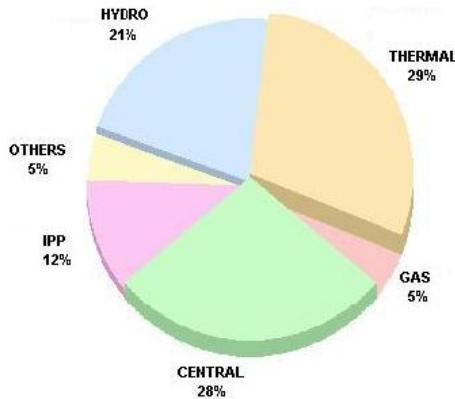
Mission of the Government

The Government of India, MoP has planned to provide 24x7 power across the country by 2019 . To achieve this, Tamil Nadu Generation and Distribution Corporation limited is making progress in Generation and Distribution sector. It is happy to inform that the electrification of all villages and towns were completed and also electrification of all households is under progress.

Generation

Installed Capacity

To satisfy the energy needs of the state, Tamil Nadu Electricity Board has a total installed capacity of 14786.90 MW as on 31st March 2016, which includes Central share and Independent Power Producers. Other than this, the state has installations in renewable energy sources like windmill, Bios mass and Cogeneration up to 9269 MW.



Future projects

To meet the ever-increasing energy demand in the coming years, TANGEDCO has proposed new generation for the next 5 years. TANGEDCO has fully exploited the hydroelectric potential available in the state. However, to balance the excess power available during off peak hours and to tide over the peak hour shortage, a Pumped storage scheme in Kundah for 500 MW has been proposed.

Enviorment Concern

TANGEDCO has also proposed to establish small hydroelectric projects of capacity less than 25 MW in the run of river scheme with total capacity of 110 MW.

Power generation, particularly the coal based power plants have adverse impact on the environment. Presently Tamil Nadu Generation and Distribution Corporation (TANGEDCO) has 6 major coal based Thermal Power Stations with a total capacity of 4660 MW and 4 gas based power plants with a total capacity of 516 MW. TANGEDCO realizes its social obligation and is very much conscious of the importance of prevention of degradation of environment due to its various Thermal Stations. Hence TANGEDCO is very much serious in incorporating the environmental safeguards relentlessly in all its Power Plants, right from the inception stage of the Project to the commissioning stage and in the day to day running of the Power Plants.

In this context, TANGEDCO has established one Environment Management Cell at its Headquarters, comprising one Executive Engineer, three Assistant Executive Engineers, one Assistant Engineer and one Chemist and its functions are as follows:

- To obtain all Statutory Environmental, Coastal Regulation Zone and Aviation clearances for the State Sector Power Projects from the controlling authorities viz., Ministry of Environment and Forests/Government of India, Tamil Nadu Pollution Control Board/ State Environment & Forests Department and Airports Authority of India, including preparation of Environment Impact Assessment and Environment Management Plan.
- Conducting Ambient Air Quality Survey, Stack Emission Test, Effluent Analysis, Noise level measurements and study of General Environmental Conditions in all the TANGEDCOs Thermal Power Stations (coal and gas based) annually. The team of engineers and chemist go on camp for 10 days each to every Thermal Power Station for conducting the above survey and environmental study.
- Then detailed report on the study with suggestions for mitigate measures are prepared and submitted to higher authorities for approval and then forwarded to the Power Station concerned for follow up actions on the points raised.
- Management of environmental problems and co-ordination with other Government/Controlling Authorities on environmental related issues in respect of all the TANGEDCO's Thermal Power Stations.
- Co-ordination & follow up action on Environmental Protection Act 1986 and Notifications & Rules issued there under.
- Identification of sites for new thermal projects under Environmental Guidelines / Norms

Non-Conventional Energy Sources (NCES)

Tamil Nadu Electricity Board now TANGEDCO is a pioneer among the State Electricity Boards in India in promoting Renewable Energy Programmes. Tamil Nadu maintains No.1 position in India in Power Generation from Renewable Energy Sources. India is among the top four nations in the deployment of this resource. TANGEDCO deals with following Non Conventional Energy Sources:

Wind Energy

The Government of India has set an example by being one of the few countries that has created an independent ministry for renewable energy, the Ministry of New and Renewable Energy (MNRE) in the early 1980s. In line with the Central Government policy, the Tamil Nadu Electricity Board is a pioneer in Tamil Nadu among the State Electricity Boards in India in promoting Renewable Energy Programmers.

Biomass Energy

Biomass is a renewable and widely available resource for generating electricity. Since it is carbon-neutral, it is considered an eco-friendly energy source. TANGEDCO promotes Bio-mass power plants in Tamil Nadu with co-operation extended by the Tamil Nadu Energy Development Agency.

Solar Energy

The solar energy is the most readily available source of energy and is free. It is the most important of non – conventional sources of energy because it is non – polluting and therefore, helps in lessening green house effect.

Solar power generation in grid interactive mode is also encouraged by TANGEDCO based on the policy initiative taken by the Government of Tamil Nadu. Power generation using SPV has now gathered momentum due to the fact that the capital cost dropped drastically.

Establishment of Solar Power plants by Generation Based Incentive scheme:

Generation Based Incentive Scheme (GBI) was announced by MNRE for Grid Interactive Solar Power Generation Projects during the year 2009. The power purchase price fixed under the above scheme is Rs.15 per unit. Generation Based Incentive (GBI) will be payable to the Utility for the power purchased from solar project (i.e) as far as the state of Tamil Nadu is considered, TANGEDCO has to bear Rs.4.50/- (which is the maximum tariff fixed by TNERC for every kind of renewable energy other than solar). Then the remaining amount $Rs.(15.0 - 4.50) = Rs.10.50/-$ will be borne by the MNRE. Under the above scheme, M/s.Sapphire Industrial Infrastructures Private Limited has been selected by MNRE to establish 5 MW SPV power plants at Rettai Pillai Iyarkulam Village, New Kallathur, Sivagangai Tk, Sivagangai District.

Jawaharlal Nehru National Solar Mission (JNNSM):

Ministry of New and Renewable Energy / GoI have launched Jawaharlal Nehru National Solar Mission (JNNSM). The mission has set a target of 20,000 MW and stipulates implementation and achievement of Target in 3 phases (Phase I – 2012-13, Phase II 2013-17, Phase III 2017-22).

The establishment of grid connected solar power generation is broadly divided into two schemes namely,

NVNN Scheme.

RPSSGP Scheme.

NVNN Scheme :

Under this scheme, NTPC Vidyut Vyapar Nigam Ltd., (NVVN) is designated as Nodal Agency for procuring the solar power from solar power generators, which are connected to the grid at a voltage level of 33 KV and above. Only one developer (M/s.CCCL Infrastructure – 5 MW capacities) have been selected under this scheme and commissioned their project on 29.03.2012.

RPSSGP Scheme :

Under this scheme IREDA (Indian Renewable Energy Development Agency) has been designated as program administrator for selection of solar power generators for establishment of SPV plants which are to be connected at a voltage level of below 33 KV.

7 Developers have been selected under the Scheme.

M/s.RL Clean Power (1 MW)

M/s.B&G Solar (1 MW)

M/s.Great Shine Holdings (1 MW)

M/s.Gemini Geoss (1 MW)

M/s.Amsons (1 MW)

M/s.Harrisons (1 MW)

M/s.Noel (1 MW)

Except M/s.Gemini Geoss, 6 Nos. power plants have been commissioned their plants under this scheme.

REC Scheme:

Under this scheme, application for the establishment of solar power plants in Tamil Nadu have been received directly at O/o the Chief Engineer/NCES/TANGEDCO/Chennai – 2. The developer have been paid TANGEDCO's average pooled purchase cost of Rs.3.38 per unit on export of solar power to TNEB grid. For every MWHR generation i.e 1000 KW Hr, a certificate will be issued to the solar power developer which can be traded in CERC authorized power exchange.

Under this scheme 57 developers for a combined capacity of 108.91 MW have commissioned their projects.

Preferential Tariff Scheme:

TNERC has issued a 'Comprehensive Tariff order on solar power' on 12.09.2014 . In this order, the Hon'ble TNERC has ordered that TANGEDCO can procure solar power at preferential tariff rate of Rs.7.01 per unit without Acceleration Depreciation (AD) benefit and Rs.6.28 per unit with AD benefit for Solar Photo Voltaic (SPV) plants situated within the State. There has been very enthusiastic response from the investors to install solar plant with this preferential tariff. So far, 90 developers with a combined capacity of 3186.8 MW have registered their applications for the establishment of solar power plants at various districts in Tamil Nadu for selling the power to TANGEDCO at the preferential tariff rate fixed by the Hon'ble Commission.

TANGEDCO has executed Power Purchase Agreement with 21 developers for a combined capacity of 249 MW till date. So solar power plants for a combined capacity of 17MW have been commissioned as on 31.3.2015 under preferential tariff scheme.

Roof Top Scheme:

Under roof top (Captive use) scheme, 11.32 MW have been commissioned (solar power injection in HT side) so far.

Solar Net metering:

Net metering in respect of Domestic and commercial consumers is being adopted in the state of Tamil Nadu. Based on the TNERC Order No.3 dt: 13.11.13 on "LT Connectivity & Net Metering" , solar power exported from solar plants established in the roof top can be adjusted against the consumption upto 90%. In the above order, the categories of consumers covered under HT tariff II-A, HT tariff III, LT tariff I-A, LT tariff I-C, LT tariff II-A, LT tariff II-B(1) and LT tariff V as specified in the Commission's retail tariff order in force are considered to be the "Eligible Consumers" for the purpose of Net-metering. Both the existing and new solar rooftop/Solar systems which comply with this order are eligible for Net-metering. Net metering have been implemented in the state of Tamil Nadu.

Distribution

An efficient distribution network is needed for effectively utilizing the energy that is generated. TANGEDCO has an efficient network that has grown over the years.

Growth from 1957:

Consumer base from 4.3 Lakhs to about 223.44 Lakhs

Number of Distribution Transformers from 3773 to 2.04 Lakhs

Length of LT lines from 13,055 kms to 5.56 Lakhs Kms

Peak demand from 172 MW to 10702 MW

Per Capita consumption from 21 units to 1040 units

Number of electrified towns, villages and hamlets from 1813 to 63956

To reduce the AT&C losses, strengthening and improving the sub-transmission and Distribution network and segregating the feeders, the Government has launched the following schemes,

- **Restructured Accelerated Power Development & Reform Programme (R-APDRP)**
- **Deendayal Upadhyaya Gram Jyoti Yojana (DUGYJ)**
- **Integrated Power Development Scheme (IPDS)**

Restructuring of TNEB

The Government of Tamil Nadu vide G.O Ms No 114 dated 08.10.2008, accorded in-principle approval for the re-organization of TNEB by establishment of a holding company, by the name TNEB Ltd and two subsidiary companies, namely Tamil Nadu Transmission Corporation Ltd (TANTRANSCO) and Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO).

2. Based on the above G.O. the Tamil Nadu Transmission Corporation Ltd was registered on 15.06.2009. The Certificate of commencement of business has been obtained for the TANTRANSCO on 11.12.2009. The Tamil Nadu Transmission Corporation Ltd was inaugurated on 14.12.2009 and the Chairman, Managing Director, Director-Transmission Projects, Director-Finance have assumed office on 14.12.2009.

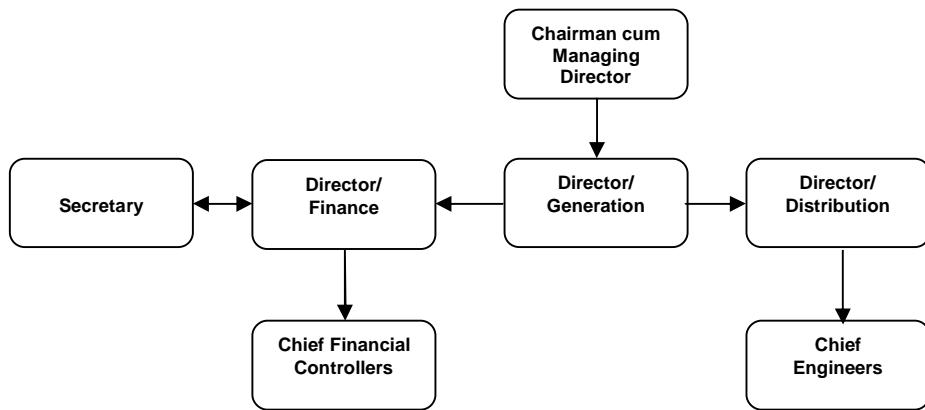
3. Further, the holding company, TNEB Ltd was registered on 01.12.2009 and the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) on 01.12.2009. The Certificate for Commencement of Business has been obtained for TNEB Ltd and Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO) on 12.03.2010 and 16.03.2010 respectively. The Chairman cum Managing Director (Present Chairman/TNEB), Director/Generation, Director/Projects and Director/Finance assumed office for TANGEDCO & Director/Operation for TANTRANSCO on 8.4.2010. Similarly, Chairman cum Managing Director (Present Chairman/TNEB) and 4 part time directors of TNEB Ltd (viz MD/TANTRANSCO, Director/Generation, Director/ Distribution & Director/Finance/TANGEDCO) have assumed office.

4. The proposal for Assets Transfer and Employee transfer has been notified by GoTN on 19.10.2010. Based on the Transfer scheme, the Board has been re-organized with effect from 01.11.2010. The finalization of the Draft Tripartite Agreement between Government, Board and Employees is under process and the same will be finalized at the earliest. Also, as the provisional period for transfer of assets is one year and as the period has expired on 31.10.2011, Government of Tamil Nadu had initially extended the provisional period for a further period of one year i.e. up to 31.10.2012 and has also notified the opening balance with provisional opening Balance Sheet of the successor companies as on 1.11.2010 based on 2009-10 audited accounts. Now Government of Tamil Nadu has subsequently extended the period for final transfer scheme upto 31.10.2014. Now Government of Tamil Nadu vide G.O.Ms.No.49, Energy (B1) Department, dated 13.8.2015, has issued orders for amendment to the existing Tamil Nadu Electricity (Reorganisation and Reforms) Transfer Scheme 2010 for giving effect to final transfer of assets and liabilities to successor entities of erstwhile Tamil Nadu Electricity Board as on 01.11.2010. The effect of the final transfer of assets and liabilities are given in the current financials for the year 2015-16.

Tariff Revision

The Hon'ble TNERC has issued suo-motu orders for revision of tariff for the year 2014-15 with effect from 12.12.2014 vide order dt.11.12.2014.

(ii) CORPORATE STRUCTURE:-



(iii) KEY OPERATIONAL AND FINANCIAL PARAMETERS FOR THE LAST 3 AUDITED YEARS:-

(a) STANDALONE BASIS:

| Indicators | (Rs. in crores) | | |
|---|-------------------------|-------------------------|-------------------------|
| | FY 2015-16 (Audited) | FY 2014-15 (Audited) | FY 2013-14 (Audited) |
| Net worth | -36543.31 | | -42411.47 |
| Total Term Debts | 75858.83 | 67194.58 | 59306.95 |
| Of which – Non Current Maturities of Long Term Borrowings | 66857.06 | 67194.58 | 59306.95 |
| Short Term Borrowings | 5395.46 | 1504.53 | 1530.07 |
| Current Maturities of Long Term Borrowings | 9001.77 | 0.00 | 0.00 |
| Net Fixed assets | 67397.10 | 38329.76 | 33587.92 |
| Non Current Assets | 1856.06 | 1684.46 | 1649.11 |
| Cash & cash equivalents | 1418.70 | 897.57 | 543.39 |
| Current Investments | 0.00 | 0.00 | 0.00 |
| Current assets | 44425.88 | 31738.88 | 24930.18 |
| Current Liabilities | 56322.63 | 45545.13 | 34887.06 |
| Net sales (net revenue including other income) | 49705.39 | 42507.09 | 34912.76 |
| EBITDA | 4643.25 | -3340.77 | -6482.36 |
| EBIT | 3035.03 | -4626.15 | -7205.26 |
| Interest | 8821.85 | 8130.44 | 6779.77 |
| PAT | -5786.82 | -12756.59 | -13985.03 |
| Dividend amounts | 0.00 | 0.00 | 0.00 |
| Current ratio | 0.79 | 0.70 | 0.53 |
| Interest coverage ratio | 0.53 | -0.41 | -0.96 |
| Debt/equity ratio | 5.50 | 5.86 | 7.27 |
| Debt Service Coverage Ratios | 0.26 | -4.44 | -1.27 |

Gross Debt: Equity Ratio of the Company:

| | |
|--|-------------|
| Before the issue of debt securities as on 31.12.2016 | 5.40 |
| After the issue of debt securities | 5.41 |

(iv) PROJECT COST AND MEANS OF FINANCING, IN CASE OF FUNDING OF NEW PROJECTS:-

The TANGEDCO is incurring about Rs. 2000.00 crore in improving the Distribution System and strengthening the lines and cables network and as such these capex are going to be incurred by the finance mobilized through this private placement.

(v) **SUBSIDIARIES OF THE COMPANY (If any): NIL**(c) **A BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION GIVING DETAILS OF IT'S FOLLOWING ACTIVITIES:-**

On 1st July 1957, Tamilnadu Electricity Board came into being and has remained the energy provider and distributor all these years. During the period the Government has extended the electrical network to all the villages and towns throughout the State. Tamilnadu Generation and Distribution Corporation Limited, (TANGEDCO) is incorporated under the Companies Act, 1956 (No.1 of 1956) on 1st December 2009. After 53-years of journey, based on the Tamilnadu Electricity (Reorganization and Reforms) Transfer Scheme, 2010 and as per the provisions of the Electricity Act, 2003, and G.O. (Ms) No.100, Energy (B2) Department, Dt.19.10.2010 TNEB has restructured itself on 01/11/2010 into TNEB Ltd; Tamilnadu Generation and Distribution Corporation (TANGEDCO) Ltd; and Tamilnadu Transmission Corporation (TANTRANSCO) Ltd. The authorized capital is Rs.17000.00 crore and paid up capital is Rs.13778.28 crore as on 31.03.2016. To satisfy the energy needs of the State, TANGEDCO, as on 31/3/2014 has a total installed capacity of 11884.44 MW, which includes Central share and Independent Power Producers. Other than this, the State has installations in renewable energy sources like Windmill, Biomass, Solar and Co-generation Plants up to 8219.67 MW.

Presently TANGEDCO has 44 Hydro Stations with a total capacity of 2284 MW, 6 major coals based Thermal Power Stations with a total capacity of 4060 MW and 4 gases based Power Plants with a total capacity of 516 MW. An additional thermal units with an installed capacity of 600 MW have been commissioned during 2014-15. A Joint Venture project with NTPC with installed capacity of 3x500MW have been commissioned. Another Joint Venture project with NLC Ltd with installed capacity of 2x500MW is to be commissioned during 2015-16.

To meet the ever-increasing energy demand in the coming years, TANGEDCO has proposed to establish 5 coal based thermal projects with installed capacity of 3300MW (5X660MW). TANGEDCO has fully exploited the hydroelectric potential available in the State. However, to balance the excess power available during off peak hours and to tide over the peak hour shortage, a Pumped storage scheme in Kundah for 500 MW has been proposed.

i. **DETAILS OF SHARE CAPITAL AS ON LAST QUARTER END (31.03.2016):-**

| Share Capital | Rs. In Crores |
|--|---------------|
| Authorized Share Capital | 17000.00 |
| Issued, Subscribed and Paid-up Share Capital | 13778.28 |

ii. **CHANGES IN ITS CAPITAL STRUCTURE AS ON LAST QUARTER END, FOR THE LAST FIVE YEARS:-**

| Date of change (AGM/EGM) | Rs | Particulars |
|--------------------------|--------------|---------------|
| | 50000000 | Incorporation |
| 30.5.2011 | 500000000000 | First AGM |
| 27.9.2011 | 120000000000 | Third AGM |
| 29.12.2015 | 170000000000 | Sixth AGM |

iii. EQUITY SHARE CAPITAL HISTORY OF THE COMPANY AS ON LAST QUARTER END (31.12.2016), FOR THE LAST FIVE YEARS:-

| Date of Allotment | No of Equity Shares | Face Value (Rs.) | Issue Price (In Rs) | Consideration (Cash, other than cash, etc) | Nature of Allotment | Cumulative | | | Remarks |
|-------------------|---------------------|------------------|---------------------|--|---------------------|----------------------|----------------------------|-------------------------------|---------|
| | | | | | | No. of Equity Shares | Equity share capital (Rs.) | Equity share premium (in Rs.) | |
| Incorporation | 50000 | 10 | 10 | Cash | At par | 50000 | 500000 | NIL | |
| 31.12.2011 | 2246077028 | 10 | 10 | Other than cash as per transfer G.O. | At par | 2246127028 | 22461270280 | NIL | |
| 27.9.2012 | 2305089600 | 10 | 10 | Cash | At par | 4551216628 | 45512166280 | NIL | |
| 20.4.2013 | 1493087836 | 10 | 10 | Cash | At par | 6044304464 | 60443044640 | NIL | |
| 30.10.2013 | 331030000 | 10 | 10 | Cash | At par | 6375334464 | 63753344640 | NIL | |
| 27.3.2014 | 1653000000 | 10 | 10 | Cash | At par | 8028334464 | 80283344640 | NIL | |
| 23.06.2014 | 662060000 | 10 | 10 | Cash | At par | 8690394464 | 86903944640 | NIL | |
| 26.09.2014 | 331030000 | 10 | 10 | Cash | At par | 9021424464 | 90214244640 | NIL | |
| 31.03.2015 | 2436130000 | 10 | 10 | Cash | At par | 11457554464 | 114575544640 | NIL | |
| 17.07.2015 | 993090000 | 10 | 10 | Cash | At par | 12450644464 | 124506444640 | NIL | |
| 30.09.2015 | 993090000 | 10 | 10 | Cash | At par | 12450644464 | 124506444640 | NIL | |
| 31.12.2016 | 1584670000 | 10 | 10 | Cash | At par | 14035314464 | 140353144640 | NIL | |

iv. DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 YEAR: - NIL

v. DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION IN THE LAST 1 YEAR: - NIL

| Type of Event | Date of Announcement | Date of Completion | Details |
|---------------|----------------------|--------------------|---------|
| NIL | NIL | NIL | NIL |

(D) DETAILS OF THE SHAREHOLDING OF THE COMPANY AS ON THE LATEST QUARTER END (31.03.2016)

i. SHAREHOLDING PATTERN OF THE COMPANY AS ON LAST QUARTER END (31.12.2016)

| Sl. No. | Particulars (Government of Tamil Nadu through following nominees) | Total No. of Equity Shares (each face value Rs.10) | No. of Shares in demat form | Total Shareholding as % of total no. of equity shares |
|---------|---|---|-----------------------------|---|
| 1 | KANDASAMY SHANMUGAM / Principal Secretary to Govt., Finance Department. | 49940 | NIL | 0.00036% |
| 2 | Dr. M. SAI KUMAR IAS Chairman cum Managing Director/TANGEDCO | 10 | | |
| 3 | S. ARULSAMY / Director-Finance/TANGEDCO | 10 | | |
| 4 | M. HELEN / Director-Distribution/ TANGEDCO | 10 | | |
| 5 | T. VELMURUGAN / Director-Generation/TANGEDCO | 10 | | |
| 6 | M MANOHARAN / Chief Financial Controller/ Revenue/TANGEDCO | 10 | | |
| 7 | S. SHANMUGAM/ MD/TANTRANSCO. | 10 | | |
| 8 | TNEB Ltd | 14035264464 | | 99.99964% |
| | TOTAL | 14035314464 | | 100% |

Notes: - Shares pledged or encumbered by the promoters (if any) – NIL

ii. LIST OF TOP 10 HOLDERS OF EQUITY SHARES OF THE COMPANY AS ON THE LATEST QUARTER END (31.3.2016)

| Sl. No. | Particulars (Government of Tamil Nadu through following nominees) | Total No. of Equity Shares (each face value Rs.10) | No. of Shares in demat form | Total Shareholding as % of total no. of equity shares |
|---------|---|---|-----------------------------|---|
| 1 | KANDASAMY SHANMUGAM / Principal Secretary to Govt., Finance Department. | 49940 | NIL | 0.00036% |
| 2 | Dr. M. SAI KUMAR IAS /Chairman cum Managing Director/TANGEDCO | 10 | | |
| 3 | S. ARULSAMY /Director-Finance/TANGEDCO | 10 | | |
| 4 | M. HELEN / Director-Distribution/ TANGEDCO | 10 | | |
| 5 | T. VELMURUGAN / Director-Generation/TANGEDCO | 10 | | |
| 6 | M MANOHARAN / Chief Financial Controller/ Revenue/ TANGEDCO | 10 | | |
| 7 | S. SHANMUGAM/ MD/TANTRANSCO | 10 | | |
| 8 | TNEB Ltd | 14035264464 | | 99.99964% |
| | TOTAL | 14035314464 | | 100% |

E) FOLLOWING DETAILS REGARDING THE DIRECTORS OF THE COMPANY:-

(i) DETAILS OF THE CURRENT DIRECTORS OF THE COMPANY *

| Name, Designation, DIN | Age (date of birth) | Address | Directors of the company since | Details of other directorship |
|---|---------------------|---|--------------------------------|--|
| Dr. M. SAI KUMAR IAS DIN - 03605028 | 31.08.1966 | Chairman and Managing Director, TANGEDCO Ltd, 144, Anna Salai, Chennai-600 002. | 02.12.2014 | TNIDC, NTPC, Tamilnadu Energy Development Corp. Ltd. Arasu Cable, Mandakini B Coal Ltd, Maha Tamil Collieries Ltd, TANTRANSCO, TNEB, TANGEDCO, UPCL, Tamilnadu Maritime Board, Poompuhar Shipping Corpn Ltd. |
| Thiru Rajeev Ranjan, IAS DIN- | | Addl. Chief Secretary to Government (a/c), Energy Department & Ex-officio Director, Fort St.George, Secretariat, Chennai-600 009. | 01.07.2016 | |
| Thiru K Shanmugam, IAS DIN-00794191 | | Principal Secretary to Government, Finance Department & Ex-officio Director, Fort St.George, Secretariat, Chennai-600 009. | 19.05.2010 | |
| Thiru Vikram Kapur, IAS DIN- | | Principal Secretary to Government, Industries Department & Ex-officio Director, Fort St.George, Secretariat, Chennai-600 009. | 06.09.2016 | |
| Ms. M.A.Helen, B.E., DIN- | 28.11.1958 | Director (Distribution) TANGEDCO Ltd, 144, Anna Salai, Chennai-600 002. | 01.12.2016 | |
| Thiru T. Velmurugan, B.E., DIN- | 12.08.1960 | Director (Generation) TANGEDCO Ltd, 144, Anna Salai, Chennai-600 002. | 21.9.2016 | |
| Ms. S.Geetha, B.E. DIN- | 17.07.1962 | Director/ Projects (A/c) TANGEDCO Ltd, 144, Anna Salai, Chennai-600 002. | 01.12.2016 | |
| Thiru S. Arulsamy, M.Com., AICWA, ACS, DIN-06799638 | 09.06.1959 | Director/Finance TANGEDCO Ltd, 144, Anna Salai, Chennai-600 002. | 09.01.2014 | TANGEDCO, TNEB, Poompuhar Shipping Corpn Ltd., Maha Tamil Collieries Ltd., |

(ii) DETAILS OF CHANGE IN DIRECTORS SINCE LAST THREE YEARS:-

| SL No. | Name , Designation and DIN | Date of appointment/ Resignation/ (From – To) | Director of the Company since (in case of resignation) | Remarks |
|--------|--|---|--|----------|
| | 2013-14 | | | |
| 1 | T. Jayaseelan, Director /Distribution | 23/2/2011 – 31/12/2013 | 23/2/2011 | Retired |
| 2 | G. Rajagopal, Director /Finance | 08/4/2010 – 08/1/2014 | 09/4/2010 | Resigned |
| | 2014-15 | | | |
| 3 | S. Akshayakumar, Director (Transmission Projects) & Managing Director/ TANTRANS CO (a/c), Director (Part time) | 14/12/2009 - 31/5/2014 | 14/12/2009 | Retired |
| 4 | N. Sankar, Director /Generation | 05/07/2012 - 30/6/2014 | 05/07/2012 | Retired |
| 5 | R.S. Alagappan Director / Projects | 17/07/2000 28/02/2015 | 16/07/2014 | Retired |
| | 2015-16 | | | |
| 6 | P. Annadurai, Director/Distribution | 01/01/2014 31/05/2015 | 01/01/2014 | Retired |
| 7 | S. Devarajan Director/Generation | 17/07/2014 31/05/2015 | 17/07/2015 | Retired |
| 8 | T V K Murugan Director/Projects | 01/04/2015 30/06/2015 | 01/04/2015 | Retired |
| 9 | K. Sivaprakasam Director/Generation | 12/08/2015 30/04/2016 | 12/08/2015 | Retired |
| 10 | S. Sampathkumar, Director / Projects | 14/08/2015 30/04/2016 | 14/08/2015 | Retired |
| | 2016-17 | | | |
| 1 | M. Pandi, Director/Distribution | 12/8/2015 30/11/2016 | 12/8/2015 | Retired |

(F) FOLLOWING DETAILS REGARDING THE AUDITORS OF THE COMPANY:-

i. DETAILS OF THE AUDITOR OF THE COMPANY:-

| Name | Address | Auditors Since |
|--------------------------------|---|----------------|
| M/s.A.John Moris & Co | 5, Lakshmiapuram 1 st Street, Deivasigamani Road, Royapettah, Chennai-14 | 2015-16 |
| M/s.Gopalaiyer and Subramanian | 4, Guru Govind Singh Road, R S Puram, Coimbatore-641002. | 2015-16 |
| M/s.K.Gopal Rao & Co | 21, Moosa Street, T.Nagar, Chennai-17 | 2015-16 |
| M/s.G.Natesan & Co | 7/1, 4 th Street, Abirampuram, Chennai-18. | 2015-16 |
| M. Kuppusamy PSG & Co LLP | G2, 13-14, Sundararajan Street, Abirampuram, Chennai-18. | 2016-17 |

ii. DETAILS OF CHANGE IN AUDITOR SINCE LAST THREE YEARS:-

| Name | Address | Date of Appointment / Resignation | Date of Cessation | Auditor of the Issuer since (in case of resignation) | Remarks |
|----------------------------------|---|---|-------------------|---|---------|
| CHANDRAN & RAMAN | "PARAGON" No.2, Radhakrishnan Salai, 2 nd Street, Mylapore, Chennai-600 004. | Appointed by Comptroller and Auditor General of India, New Delhi. | 2013-14 | | |
| M/s.PONRAJ & CO., | 108, Wallajah Road, II Floor, Trade Centre, Chennai – 600 002. | | | | |
| SETHURAMAN & SRIVATSAN | New No.9(C-3), Third Cross, West Extension, Thillainagar, Trichy – 620 018. | | | | |
| M/s.K.S.G.Subramanyam & Co., | II Floor, United Shopping Complex, 94/36, Dr. Nanjappa Road, Coimbatore – 641 018. | | | | |
| M/s.SLSM & Co., | 261-E, Goods Shed Street, 2 nd Floor, Madurai – 625 001. | | | | |
| M/s.SRN Associate Chart Accounts | SRN Tower, No.208/1 1 st cross street, (opp.LGB Petrol bunk) chenkundrapuram. Karur-2. | Appointed by Comptroller and Auditor General of India, New Delhi. | 2014-15 | | |
| M/s.PONRAJ & CO., | 108, Wallajah Road, II Floor, Trade Centre, Chennai – 600 002. | Appointed by Comptroller and Auditor General of India, New Delhi. | 2015-16 | | |
| M/s.A.John Moris & Co | 5, Lakshmipuram 1 st Street, Deivasigamani Road, Royapettah, Chennai-14. | | | | |
| M/s.Gopalaiyer and Subramanian | 4, Guru Govind Singh Road, R S Puram, Coimbatore-641002. | | | | |
| M/s.K.Gopal Rao & Co | 21, Moosa Street, T.Nagar, Chennai-17. | | | | |
| M/s.G.Natesan & Co | 7/1, 4 th Street, Abiramapuram, Chennai-18. | Appointed by CAG. | 2016-17 | | |
| M. Kuppusamy PSG & Co LLP | G2, 13-14, Sundararajan Street, Abiramapuram, Chennai-18. | | | | |

(G) DETAILS OF BORROWINGS OF THE COMPANY, AS ON THE LATEST QUARTER END (31.12.2016)

| Rs. In Cr. | | |
|-------------------|--------------------------------|-------------------------------------|
| Sl.No | Name of the Loan | Total Out-Standing as on 31.12.2016 |
| 1 | Open Market loan and Bonds | 4706.00 |
| 2 | FRP Bonds | 2353.49 |
| 3 | R.E.C | 12560.23 |
| 4 | P.F.C Ltd | 16574.03 |
| 5 | <i>IREDA (Comfort Letter)</i> | 86.66 |
| 6 | TNPFC Ltd., | 21545.94 |
| 7 | Term Loan from Banks | 16348.05 |
| 8 | PTC Financial Services Pvt Ltd | 250.00 |
| 9 | HUDCO | 715.09 |
| 10 | NABARD | 639.92 |
| 11 | P.M.G.Y | 12.75 |
| 12 | APDRP | 101.88 |
| 13 | RGGVY | 25.71 |
| 14 | R-APDRP | 1351.74 |
| | Total | 77271.89 |

(i) DETAILS OF SECURED LOAN FACILITIES AS ON (31.12.2016)

| Lender's Name | Type of Facility | Principal Amt Outstanding (Rs. in cr.) | Repayment Date /Schedule | Security |
|---------------|-------------------|--|--------------------------|--------------|
| REC | Long Term; Normal | 8274.92 | Quarterly | Fixed Assets |
| PFC | | 6208.78 | | |
| TNPFC Ltd. | | 21545.94 | | |
| HUDCO | | 339.28 | | |
| PMGY | | 12.75 | | |
| APDRP | | 101.88 | | |
| RGGVY | | 25.71 | | |
| R-APDRP | | 681.65 | | |
| TOTAL | | 37190.91 | | |

(ii) DETAILS OF UNSECURED LOAN FACILITIES AS ON (31.12.2016)

| Lender's Name | Type of Facility | Amt Sanctioned (Rs. in cr.) | Principal Amt Outstanding (Rs. In cr.) | Repayment Date Schedule |
|--------------------------------|-------------------|-----------------------------|--|-------------------------|
| REC Ltd | Transitional Loan | 5000.00 | 4285.71 | Monthly |
| PFC Ltd | | 8793.96 | 8365.25 | |
| PTC Financial Services Pvt Ltd | Term loan | 250.00 | 250.00 | |
| R-APDRP | Term loan | 670.09 | 670.09 | |
| | TOTAL | 14714.05 | 13571.05 | |

(iii) DETAILS OF NCDS :- (as on 31.12.2016)

| Sl. No. | Name of the issue | Date of allotment | Put call option / redemption | Amount subscribed / Amount allotted (Rs. in crores) | Payment of interest | Ratings | Secured / Unsecured |
|---------|--------------------------------------|-------------------|---|---|---|--|---------------------|
| 1 | 8.65% TANGEDCO Bond Series-1/2010-11 | 07.2.2011 | At the end of 5th year / 20% - 07.02.2016 20% - 07.02.2017 20% - 07.02.2018 20% - 07.02.2019 20% - 07.02.2020 | 80.7 | semi-annually on 7th August & 7th Feb. | 1. ICRA - LA(SO) dt.20.9.2010 2. M/s.Brick work Ratings India Pvt Ltd - BWR A(SO) dt.20.9.2010 | Unsecured |
| 2 | 9.70% TANGEDCO Bond Series-1/2011-12 | 07.07.2011 | At the end of 8th year/ 30% 07.07.2019 30% 07.07.2020 40% 07.07.2021 | 670.50 | Semi annually on 7th July and 7th January of every year. | 1. M/s.Brick work Ratings India Pvt Ltd - BWR A(SO) dt.25.5.2011. 2. M/s.CRISIL Ltd.- A-(SO) dt.27.5.2011. | Unsecured |
| 3 | 9.59% TANGEDCO Bond Series-2/2011-12 | 26.08.2011 | At the end of 8th year/ 30% 26.08.2019 30% 26.08.2020 40% 26.08.2021 | 539.00 | Semi annually on 26th August and 26th February of every year. | 1. M/s.Brick work Ratings India Pvt Ltd - BWR A(SO) dt.25.5.2011. 2. M/s.CRISIL Ltd.- A-(SO) dt.27.5.2011. | Unsecured |
| 4 | 9.50% TANGEDCO Bond Series-3/2011-12 | 03.10.2011 | At the end of 8th year/ 30% 03.10.2019 30% 03.10.2020 40% 03.10.2021 | 37.00 | Semi annually on 3rd April and 3rd October of every year. | 1. M/s.Brick work Ratings India Pvt Ltd - BWR A(SO) dt.25.5.2011 (and 08.09.2011 for enhanced rating of Rs.1419 crs) 2. M/s.CRISIL Ltd.- A-(SO) dt.27.5.2011. | Unsecured |

| | | | | | | | |
|----|---|------------|---|--|--|---|-----------|
| 5 | 9.90% TANGEDCO Bond Series- 4/2011-12 | 21.11.2011 | At the end of 8th year/ 30% 21.11.2019 30% 21.11.2020 40% 21.11.2021 | 153.50 | Semi annually on 21st May and 21st November of every year | 1. M/s.Brick work Ratings India Pvt Ltd - BWR A(SO) dt.25.5.2011. 2. M/s.CRISIL Ltd.- A-(SO) dt.27.5.2011. 3.M/s.Brick work Ratings India Pvt Ltd - BWR A(SO) dt.08.9.2011 for enhanced rating from Rs.1400 crs to Rs.1419 crs. | Unsecured |
| 6 | 9.01% 15 Banks | 03.04.2013 | AT THE END OF 5TH YEAR - 2018 | | Semi annually on 7th Oct and 7th April of every year | India Ratings & Research Pvt Ltd. IND A(SO) exp for Rs.6382.50 cr | Unsecured |
| 7 | 8.66% 3 Banks SBI, UCO, Corpn Bank. | 07.05.2013 | AT THE END OF 5TH YEAR - 2018 | | Semi annually on 7th Nov and 7th May of every year | India Ratings & Research Pvt Ltd. IND A(SO) exp | Unsecured |
| 8 | 8.41% Canara Bank | 16.05.2013 | AT THE END OF 5TH YEAR - 2018 | 2353.49 Cr against 6382.68 Cr under FRP | Semi annually on 16th Nov and 16th May of every year | India Ratings & Research Pvt Ltd. IND A(SO) exp | Unsecured |
| 9 | 8.41% City Union Bank | 22.05.2013 | AT THE END OF 5TH YEAR - 2018 | | Semi annually on 22nd Nov and 22nd May of every year | India Ratings & Research Pvt Ltd. IND A(SO) exp | Unsecured |
| 10 | 8.49% CBI, OBC | 31.05.2013 | AT THE END OF 5TH YEAR - 2018 | | Semi annually on 30th Nov and 31st May of every year | India Ratings & Research Pvt Ltd. IND A(SO) exp | Unsecured |

| | | | | | | | |
|----|---|------------|---|---------|---|--|-----------|
| 11 | 8.53% Bank of Baroda | 17.06.2013 | AT THE END OF 5TH YEAR - 2018 | | Semi annually on 17th Nov and 17th June of every year | India Ratings & Research Pvt Ltd. IND A(SO) exp | Unsecured |
| 12 | 8.79% ICICI Bank | 24.06.2013 | AT THE END OF 5TH YEAR - 2018 | | Semi annually on 24th Dec and 24th June of every year | India Ratings & Research Pvt Ltd. IND A(SO) exp | Unsecured |
| 13 | 10.50% TANGEDCO Bond Series- 1/2013-14 | 10.2.2014 | At the end of 7th year/ 30% 10.2.2022 30% 10.2.2023 40% 10.2.2024 | 633.50 | Semi annually on 10 th August and 10 th February of every year | 1. M/s. ICRA Ltd - [ICRA] A-(SO) dt.21.10.2013. 2. M/s. India Ratings & Research Pvt Ltd - A(SO) (exp) dt.24.10.2013 | Unsecured |
| 14 | 9.72% TANGEDCO Bond Series- 1/2014-15 | 16.7.2014 | At the end of 7th year/ 30% 16.7.2022 30% 16.7.2023 40% 16.7.2024 | 1000.00 | Semi annually on 16 th July and 16 th January of every year | 1. M/s. ICRA Ltd - [ICRA] A-(SO) dt.13.05.2014. 2. M/s. India Ratings & Research Pvt Ltd - A(SO) (exp) dt.13.05.2014 | Unsecured |
| 15 | 9.20% TANGEDCO Bond Series- 2/2014-15 | 18.12.2014 | At the end of 7th year/ 30% 18.12.2022 30% 18.12.2023 40% 18.12.2024 | 1000.00 | Semi annually on 18 th June and 18 th December of every year | 1. M/s. ICRA Ltd - [ICRA] A-(SO) dt.14.10.2014. 2. M/s. India Ratings & Research Pvt Ltd - A(SO) (exp) dt.20.10.2014 | Unsecured |
| 16 | 9.00% TANGEDCO Bond Series 3/2014-15 | 11.06.2015 | At the end of 7th year/ 30% 11.06.2023 30% 11.06.2024 40% 11.06.2025 | 501.80 | Semi Annually on 11 th June and 11 th December every year. | 1. M/s. ICRA Ltd [ICRA] A-(SO) 2. M/s. India Ratings & Research Pvt Ltd - A(SO) (exp) | Unsecured |
| 17 | 10.00% TANGEDCO Bond Series 2/2015-16 | 08.2.2016 | At the end of 7th year/ 30% 08.2.2024 30% 08.2.2025 40% 08.2.2026 | 50.00 | Semi Annually on 8 th August and 8 th February every year. | 1. M/s. ICRA Ltd - [ICRA] A-(SO) 2. M/s. India Ratings & Research Pvt Ltd - A(SO) (exp) | Unsecured |

| | | | | | | | |
|----|---|------------|--|-------|--|---|-----------|
| 18 | 9.70% TANGEDCO Bond Series 2/2016-17 | 24.12.2016 | At the end of 7th year/ 30% 24.12.2024 30% 24.12.2025 40% 24.12.2026 | 40.00 | Semi Annually on 24 th June and 24 th December every year. | 1. M/s.ICRA Ltd - [ICRA] A-(SO) 2. M/s.India Ratings & Research Pvt Ltd - A(SO) (exp) | Unsecured |
|----|---|------------|--|-------|--|---|-----------|

(iv) LIST OF TOP 10 DEBENTURE HOLDERS (AS ON 31.12.2016)

| NAME | Rs. (in Cr.) |
|-----------------------|--------------|
| State Bank of India | 320.37 |
| UCO Bank | 289.40 |
| Central Bank of India | 232.68 |
| Indian Bank | 180.58 |
| Indian Overseas Bank | 169.46 |
| Punjab National Bank | 166.69 |
| Axis Bank | 154.30 |
| Canara Bank – Mumbai | 155.27 |
| Syndicate Bank | 142.15 |
| Corporation Bank | 129.03 |

(v) THE AMOUNT OF CORPORATE GUARANTEE ISSUED BY THE ISSUER ALONG WITH NAME OF THE COUNTERPARTY (LIKE NAME OF THE SUBSIDIARY, JV ENTITY, GROUP COMPANY, ETC) ON BEHALF OF WHOM IT HAS BEEN ISSUED.

"NOT APPLICABLE"

(vi) DETAILS OF COMMERCIAL PAPER/CERTIFICATE OF DEPOSIT:- THE TOTAL FACE VALUE OF COMMERCIAL PAPERS/ CERTIFICATE OF DEPOSIT OUTSTANDING AS ON THE LATEST QUARTER END TO BE PROVIDED AND ITS BREAKUP IN FOLLOWING TABLE:

"NOT APPLICABLE"

| Maturity date | Amt outstanding |
|---------------|-----------------|
| N.A | N.A |

(vii) DETAILS OF REST OF THE BORROWING (IF ANY INCLUDING HYBRID DEBT LIKE FCCB, OPTIONAL CONVERTEBLE DEBENTURES / PREFERENCE SHARES) AS ON:-

| Party Name (in case of Facility) / Instrument Name | Type of Facility / Instrument | Amt Sanctioned / Issued | Principal Amt outstanding | Repayment Date / Schedule | Credit Rating | Secured / Unsecured | Security |
|---|-------------------------------------|-------------------------------|---------------------------------|---------------------------------|------------------|------------------------|----------|
| N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |

(viii) DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE COMPANY, IN THE PAST 5 YEARS .

The Company hereby confirms that:

1. The Company has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default since inception.
2. The Company 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.

(ix) DETAILS OF ANY OUTSTANDING BORROWINGS TAKEN/ DEBT SECURITIES ISSUED WHERE TAKEN / 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;

The Company confirms that other than and to the extent mentioned elsewhere in this Disclosure Document, 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.

(H) DETAILS OF PROMOTERS OF THE COMPANY:-

i. DETAILS OF PROMOTER HOLDING IN THE COMPANY AS ON THE LATEST QUARTER END (31.12.2016):-

| Sl. No. | Name of the Shareholders | Total No. of Equity Shares | No. 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. | KANDASAMY SHANMUGAM / Principal Secretary to Govt., Finance Department. | 49940 | | | | |
| 2 | Dr.M.SaiKumar/ Chairman cum Managing Director/TANGEDCO | 10 | | | | |
| 3 | S. ARULSAMY / Director-Finance/TANGEDCO | 10 | | | | |
| 4 | M. HELEN / Director-Distribution/ TANGEDCO | 10 | | | | |
| 5 | T. VELMURUGAN / Director-Generation/ TANGEDCO | 10 | | | | |
| 6 | M MANOHARAN / Chief Financial Controller/ Revenue/TANGEDCO | 10 | | | | |
| 7 | S. SHANMUGAM / MD / TANTRANS CO. | 10 | | | | |
| 8 | TNEB Ltd | 14035264464 | | 99.99964% | | |
| | TOTAL | 14035314464 | | 100% | | |

(I) ABRIDGED VERSION OF AUDITED CONSOLIDATED (WHEREVER AVAILABLE) AND STANDALONE FINANCIAL INFORMATION (LIKE PROFIT & LOSS STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT) FOR AT LEAST LAST THREE YEARS AND AUDITOR QUALIFICATIONS, IF ANY.*

***BALANCE SHEET FOR THE LAST THREE YEARS**

| Sch. No. | Particulars | This year as at 31st March 2016 | | Previous year as at 31st March 2015 | As at 31st March 2014 | |
|-------------|-------------------------------------|------------------------------------|----------|--|--------------------------|----------|
| | | | | (Rupees in lakhs) | | |
| | NET ASSETS | | | | | |
| 19 | Gross Block | | 6805950 | | 4166542 | |
| | Less: Accumulated Depreciation | | 898297 | | 1104044 | |
| | NET FIXED ASSETS | | 5907653 | | 3062498 | |
| 21 | Capital Expenditure in Progress | | 832057 | | 770478 | |
| 22 | Assets not in use | | 146 | | 118 | -120 |
| 23 | Deferred Costs | | 6773 | | 2768 | 250 |
| 24 | Intangible Assets | | - | | - | - |
| 25 | Investments | | 178687 | | 165560 | 164781 |
| | NET CURRENT ASSETS | | | | | |
| 26 | Total Current Assets | 4442588 | | 3173888 | | 24930318 |
| | Less: TOTAL CURRENT LIABILITIES | | | | | |
| 27 | Security Deposits from Consumers | 871909 | | 817407 | | 694704 |
| 28 | Other Current Liabilities | 4760354 | | 3737106 | | 2794002 |
| | TOTAL CURRENT LIABILITIES | 5632263 | | 4554513 | | 3488706 |
| | NET CURRENT ASSETS | | -1189675 | | -1380625 | -995688 |
| 29 | Subsidy Receivable from Govt. | | 0 | | -8137 | -7131 |
| | Deficit | | 5582083 | | 6522210 | 5246551 |
| | NET ASSETS | | 11317724 | | 9135878 | 7767435 |
| | FINANCED BY | | | | | |
| 30 | Borrowings for Working Capital | | 539546 | | 150453 | 153007 |
| 31 | Payments due on Capital Liabilities | | 130434 | | 54467 | 48759 |
| 32 | Capital Liabilities | | 7585883 | | 6719458 | 5930695 |
| 33 | Funds from State Government | | 2000144 | | 1768072 | 1280850 |
| 34 | Contributions Grants and Subsidies | | 511793 | | 204849 | 163233 |
| 35 | Reserves and Reserve Funds | | 549924 | | 238579 | 190891 |
| | Surplus | | - | | - | - |
| | TOTAL FUNDS | | 11317724 | | 9135878 | 7767435 |

***PROFIT AND LOSS ACCOUNT FOR THE LAST 3 YEARS**

| REVENUE ACCOUNT | | | | | | | |
|-----------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Sch. No. | Particulars | For the year 2015-16 | For the year 2015-16 | For the year 2014-15 | For the year 2014-15 | For the year 2013-14 | For the year 2013-14 |
| | UNITS SOLD (in MU) | 76464 | | 76,828 | | 70,976 | |
| | INCOME | | | (Rupees in lakhs) | | | |
| 1 | Revenue from Sale of power | 4151575 | | 3507222 | | 2953639 | |
| 4 | Revenue subsidies & Garants | 769510 | | 695300 | | 498509 | |
| 5 | Other Income | 49454 | | 48187 | | 39128 | |
| | Total Income "A" | | 4970539 | | 4250709 | | 3491276 |
| | EXPENDITURE | | | | | | |
| 6 | Purchase of power | 3161763 | | 306510 | | 3052930 | |
| 7 | Generation of power | 874422 | | 994185 | | 761387 | |
| 8 | Repairs & Maintenance | 73801 | | 64736 | | 53209 | |
| 9 | Employee costs | 561391 | | 531064 | | 462217 | |
| 10 | Admin. &Gent. Expenses | 42553 | | 33405 | | 26411 | |
| 11 | Depreciation & other related debits | 162620 | | 129686 | | 73107 | |
| 12 | Interest and Finance charges | 999342 | | 928238 | | 793378 | |
| | Sub Total "B" | | 5875893 | | 5746484 | | 522639 |
| | Less: Expenses capitalised: | | | | | | |
| 13 | Interest & Finance charges capitalized | 117157 | | 115193 | | 115400 | |
| 14 | Other expenses capitalized | 66808 | | 80704 | | 223573 | |
| | Total expenses capitalised "C" | | 183965 | | 195897 | | 338973 |
| | Sub Total (B) - (C) | | 5691928 | | 5550587 | | 4883666 |
| | | | | | | | |
| 15 | Other Debits | 1664 | | 2695 | | 2196 | |
| 16 | Extra ordinary items | 0 | 1664 | 2 | 2697 | 45 | 2241 |
| | Total (D) | | 5693592 | | 5553284 | | 4885907 |
| | Profit before Tax (A)-(D) | | -723053 | | -1302575 | | -1394630 |
| 17 | Provision for income tax | | - | | - | | - |
| | Profit after tax | | -723053 | | -1302575 | | -1394630 |
| 18 | Net Prior period charges/Credit | | -144371 | | -26916 | | 3873 |
| | SURPLUS/DEFICIT | | -578682 | | 1275659 | | -1398503 |

***STATEMENT OF CASH FLOW FOR THE LAST 3 YEARS**

| CASH FLOW STATEMENT | | | |
|---|--------------------|--------------------|--------------------|
| Particulars | (Rupees in lakhs) | | |
| | Period Ended | | |
| | 31.03.2016 | 31.03.2015 | 31.03.2014 |
| I. Cash Flows From Operating Activities | | | |
| Net Profit before tax and Extraordinary items | -578681.95 | -1275659.37 | -1398458.08 |
| Adjustments For: | | | |
| Depreciation | 162619.82 | 129685.80 | 73107.42 |
| Interest Income | -9.43 | -4.74 | -11.08 |
| (Profit) / Loss on Sale of Asset | 0.00 | 0.00 | 0.00 |
| Interest Paid | 999341.88 | 928238.15 | 793377.47 |
| Extraordinary items:- | | | |
| Loss on account of flood, fire cyclone etc., | 0.00 | -1.56 | -45.46 |
| Operating Profit Before Working Capital changes | 583270.32 | -217741.72 | -532029.73 |
| Change in Trade and Other receivables | -1173072.80 | -651817.52 | -654189.62 |
| Change in Inventories | -51450.60 | 7770.32 | 65330.78 |
| Change in other Current Liabilities | 1078555.11 | 1054808.92 | 72426.30 |
| Income Taxes Paid | 0.00 | 0.00 | 0.00 |
| Net Cash Flow From Operating Activities (A) | 437302.03 | 193020.00 | -1048462.31 |
| II. Cash Flow from Investing Activities | | | |
| Purchase/sale of Fixed Assets | -2725335.40 | -637585.58 | -518271.79 |
| Deferred Revenue Expenditure | -4004.35 | -2518.20 | -247.72 |
| Investment in Shares | -13127.00 | -779.06 | -31316.34 |
| Interest Income | 9.43 | 4.74 | 11.08 |
| Sale of Fixed Assets | -344046.46 | 33373.75 | 110809.62 |
| Net Cash flow used in Investing Activities (B) | -3086503.78 | -607504.35 | -439015.15 |
| III. Cash Flow from Financing Activities | | | |
| Changes in Borrowings | 1331484.96 | 945916.41 | 2027960.83 |
| Share Capital raised | 232072.42 | 342922.00 | 198403.00 |
| Reserves & Surplus | 2137098.64 | 89302.55 | 76240.52 |
| Interest Paid | -999341.88 | -928238.15 | 793377.47 |
| Net Cash Flow From Financing Activities (C) | 2701314.14 | 449902.81 | 1509226.88 |

| | | | |
|---|-----------|----------|----------|
| Net Increase/(Decrease) in Cash and Cash Equivalents [D = (A+B+C)] | 52112.39 | 35418.46 | 21749.42 |
| Opening Balance of Cash & Cash Equivalents (E) | 89757.55 | 54339.09 | 32589.67 |
| | | | |
| Closing Balance of Cash & Cash Equivalents [F = (D+E)] | 141869.94 | 89757.55 | 54339.09 |
| # the cashflow has been prepared with the during the year transactions from 1st April 2014 to 31st MARCH 2016 | | | |

* **AUDITOR QUALIFICATIONS**

| Financial Year | Auditors' Qualifications |
|----------------|--------------------------|
| 2015-16 | NIL |
| 2014-15 | NIL |
| 2013-14 | NIL |
| 2012-13 | NIL |

(J) ABRIDGED VERSION OF LATEST AUDITED/ LIMITED REVIEW HALF YEARLY CONSOLIDATED (WHEREVER AVAILABLE) AND STANDALONE FINANCIAL INFORMATION (LIKE PROFIT & LOSS STATEMENT, AND BALANCE SHEET) AND AUDITORS QUALIFICATIONS, IF ANY. "NIL"

(K) ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATIONS RESULTING IN MATERIAL LIABILITIES, CORPORATE RESTRUCTURING EVENT ETC) AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES.

The Issuer hereby confirms that there has been no material event, development or change having implications on the financials/ credit quality of the Issuer (e.g. any material regulatory proceedings against the Issuer/ promoters of the Issuer, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the Issue or the investo's decision to invest/ continue to invest in the debt securities of the Issuer.

(L) THE NAMES OF THE DEBENTURE TRUSTEE(S) SHALL BE MENTIONED WITH STATEMENT TO THE EFFECT THAT DEBENTURE TRUSTEE(S) HAS GIVEN HIS CONSENT TO THE ISSUER FOR HIS APPOINTMENT UNDER REGULATION 4 (4) AND IN ALL THE SUBSEQUENT PERIODICAL COMMUNICATIONS SENT TO THE HOLDERS OF DEBT SECURITIES.

In accordance with the provisions of (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended, (ii) Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended, (iii) Section 117B of the Companies Act, 1956 (1 of 1956) and (iv) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Issuer has appointed **SBICAP TRUSTEE COMPANY LTD** to act as Trustees ("Trustees") for and on behalf of the holder(s) of the Bonds. The address and contact details of the Trustees are as under:

DEBENTURE TRUSTEE:

| | |
|-----------------|--|
| Name | : SBICAP TRUSTEE COMPANY LTD |
| Address | : Apeejay House, 6th Floor, 3, Dinshaw Wachha Road, Churchgate, Mumbai -400020 |
| Tel No | : 022-43025555 |
| Fax No | : 022-22040465 |
| Email id | : corporate@sbicaptrustee.com |

The Company hereby undertakes that a Trust Deed shall be executed by it in favour of the Trustees within three months of the closure of the Issue. The Trust Deed shall contain such clauses as may be prescribed under section 117A of the Companies Act, 1956 and those mentioned in Schedule IV of the Securities and Exchange Board of India (Bond Trustees) Regulations, 1993. Further the Trust Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Trustees or the Company in relation to any rights or interests of the holder(s) of the Bonds, (ii) limiting or restricting or waiving the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992); Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and circulars or guidelines issued by SEBI, (iii) indemnifying the Trustees or the Company for loss or damage caused by their act of negligence or commission or omission.

The Bond holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bonds. Any payment made by the Company to the Trustees on behalf of the bond holder(s) shall discharge the Company pro tanto to the bond holder(s). The Trustees shall protect the interest of the bond holders in the event of default by the Company in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Company. No bond holder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so. In the event of Company defaulting in payment of interest on Bonds or redemption thereof, any distribution of dividend by the Company shall require approval of the Trustees.

The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, the Deed of Hypothecation, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.

The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds including but not limited to the right to appoint a nominee director on the Board of the Issuer in consultation with institutional holders of such Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Bonds.

(M) THE DETAILED RATING RATIONALE (S) ADOPTED (NOT OLDER THAN ONE YEAR ON THE DATE OF OPENING OF THE ISSUE)/ CREDIT RATING LETTER ISSUED (NOT OLDER THAN ONE MONTH ON THE DATE OF OPENING OF THE ISSUE) BY THE RATING AGENCIES SHALL BE DISCLOSED.

Provisional ICRA "A- (SO)" by ICRA Ltd and **"Provisional IND A (SO)"** by India Rating & Research Pvt Ltd."

Other than the credit ratings mentioned hereinabove, Issuer has not sought any other credit rating from any other credit rating agency (ies) for the Bonds offered for subscription under the terms of this Disclosure Document

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

Copies of Rating Letter(s) and Rating rationale(s) are enclosed elsewhere in this Disclosure Document.

(N) IF THE SECURITY IS BACKED BY A GUARANTEE OR LETTER OF COMFORT OR ANY OTHER DOCUMENT / LETTER WITH SIMILAR INTENT, A COPY OF THE SAME SHALL BE DISCLOSED. IN CASE SUCH DOCUMENT DOES NOT CONTAIN DETAILED PAYMENT STRUCTURE (PROCEDURE OF INVOCATION OF GUARANTEE AND RECEIPT OF PAYMENT BY THE INVESTOR ALONG WITH TIMELINES); THE SAME SHALL BE DISCLOSED IN THE OFFER DOCUMENT.

Copies of Government Guarantee Letter are enclosed elsewhere in this Disclosure Document.

(O) COPY OF CONSENT LETTER FROM THE DEBENTURE TRUSTEE SHALL BE DISCLOSED.

Copy of letter **SBICAP TRUSTEE COMPANY LTD** conveying their consent to act as Trustee for the current issue of Bonds is enclosed elsewhere in this Disclosure Document.

(P) NAMES OF ALL THE RECOGNISED STOCK EXCHANGES WHERE THE DEBT SECURITIES ARE PROPOSED TO BE LISTED CLEARLY INDICATING THE DESIGNATED STOCK EXCHANGE.

The Bonds are proposed to be listed on the Wholesale Debt Market (WDM) Segment of the Bombay Stock Exchange Limited ("BSE"). The Company shall obtain an in-principle approval from the BSE for listing of said Bonds on its Wholesale Debt Market (WDM) Segment.

In pursuance of SEBI Debt Regulations, the Issuer shall make listing application to BSE within 15 days from the Deemed Date of Allotment of Bonds and seek listing permission within 20 days from the Deemed Date of Allotment of Bonds. In the event of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest of 1.00% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).

In connection with listing of Bonds with BSE, the company hereby undertakes that:

- (a) It shall comply with conditions of listing of Bonds as may be specified in the Listing Agreement with BSE.
- (b) Ratings obtained by the company shall be periodically reviewed by the credit rating agencies and any revision in the rating shall be promptly disclosed by the company to BSE.

- (c) Any change in rating shall be promptly disseminated to the holder(s) of the Bonds in such manner as BSE may determine from time to time.
- (d) The company, the Trustees and BSE shall disseminate all information and reports on Bonds including compliance reports filed by the company and the Trustees regarding the Bonds to the holder(s) of Bonds and the general public by placing them on their websites.
- (e) Trustees shall disclose the information to the holder(s) of the Bonds and the general public by issuing a press release in any of the following events:
 - a. default by the company to pay interest on Bonds or redemption amount;
 - b. revision of rating assigned to the Bonds;
 - c. Failure to create charge on the assets.
- (f) The information referred to in para (e) above shall also be placed on the websites of the Trustees, company and BSE.
- (g) The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all Qualified Institutional Buyers ("QIBs") and other existing Bondholder(s) within two working days of their specific request.

(Q) OTHER DETAILS:

- i. **DRR CREATION** –The Company shall create a Debenture Redemption Reserve for the purpose of redemption of Debentures or debentures, as applicable, in accordance with the provisions stated in the Companies Act 2013 read with the Companies (Share Capital and Debentures) Rules, 2014.
- ii. **ISSUE/INSTRUMENT SPECIFIC REGULATIONS - RELEVANT DETAILS (COMPANIES ACT, RBI GUIDELINES, ETC).**
 - 1. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012) and CIR/IMD/DF/18/2013 DATED OCTOBER 29, 2013 and The Securities and Exchange Board of India (Issue and Listing of Debt Securities) (amendment) regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and section 42 of the companies act, 2013 and the companies (prospectus and allotment of securities) rules, 2014.
 - 2. The Companies Act, 2013 to that extend applicable and notified.
 - 3. The Companies Act, 1956 provisions to the extent not replaced by notifications w.r.t Act of 2013 (18 of 2013)
 - 4. Income Tax Act, 1961 & Income Tax Rules, 1962,
 - 5. Indian Trust Act, 1882
 - 6. Companies (Share Capital and Debentures) Rules, 2014.

iii. APPLICATION PROCESS.

WHO CAN APPLY

The following categories are eligible to apply for this private placement of debentures:

1. Applications by QUALIFIED INSTITUTIONAL BUYERS ("QIBS"):

- a. Mutual Funds,
- b. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;
- c. Scheduled Commercial Banks;
- d. State Industrial Development Corporations;
- e. Insurance Companies registered with the Insurance Regulatory and Development Authority;
- f. Provident Funds and Pension Funds with minimum corpus of Rs. 25.00 crore;
- g. National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- h. Insurance funds set up and managed by army, navy or air force of the Union of India.

2. Applications by "NON - QIBS":

- a. Companies and Bodies Corporate authorized to invest in bonds/ debentures;
- b. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/ debentures;
- c. Gratuity Funds and Superannuation Funds;
- d. Provident Funds and Pension Funds with corpus of less than Rs. 25.00 crore;
- e. Societies authorized to invest in bonds/ debentures;
- f. Trusts authorized to invest in bonds/ debentures;
- g. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures;

However, out of the aforesaid class of investors eligible to invest, Disclosure Document and FORM PAS-4 is intended solely for the use of the person to whom it has been sent by TANGEDCO (The "ISSUER") for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities 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 Disclosure Document and FORM PAS-4 from TANGEDCO (The "ISSUER").

All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in the issue of Bonds/ Debentures as per the norms approved by Government of India, Reserve Bank of India or any other statutory body from time to time.

WHO CANNOT APPLY

- 1. Minors without a guardian name (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- 2. Non-resident investors being an individual including NRIs, QFIs (Individual), and FPIs (individual);
- 3. Venture Capital Fund and Foreign Venture Capital Investor;
- 4. Overseas Corporate Bodies; and
- 5. Person ineligible to contract under applicable statutory/regulatory requirements.
- 6. Resident Individual Investors;
- 7. Hindu Undivided Families;

SUBMISSION OF DOCUMENTS

Investors need to submit the certified true copies of the following documents, along-with the Application Form, as applicable:

- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- Government notification/ Certificate of incorporation(in case of Primary Co-operative Bank and RRBs);
- SEBI Registration Certificate, if applicable;
- Board Resolution authorizing investment along with operating instructions;
- Power of Attorney/ relevant resolution/ authority to make application;
- Form 15AA granting exemption from TDS on interest, if any;
- Form 15G/ 15H for claiming exemption from TDS on interest on application money, if any;
- Order u/s197 of Income Tax Act, 1961;
- Order u/s10 of Income Tax Act, 1961;
- Copy of Permanent Account Number Card ("PAN Card") issued by the Income Tax Department;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority.

(R) PROCEDURE FOR APPLYING FOR DEMAT FACILITY

1. The applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL/ CDSL prior to making the application.
2. The applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID appearing in the Application Form under the heading 'Details for Issue of Bonds in Electronic/ Dematerialized Form').
3. Bonds allotted to an applicant will be credited directly to the applicant's respective Beneficiary Account(s) with the DP.
4. For subscribing the Bonds names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders the names should necessarily be in the same sequence as they appear in the account details in the depository.
5. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrars to the Issue.
6. If incomplete/incorrect details are given under the heading 'Details for Issue of Bonds in Electronic/ Dematerialized Form' in the application form it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
7. For allotment of Bonds the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient the Issuer would not be liable for losses, if any.
8. It may be noted that Bonds will be issued in electronic form. The same can be traded only on the Stock Exchanges having electronic connectivity with NSDL/ CDSL. The BSE Ltd, where the Bonds of the TANGEDCO are proposed to be listed has connectivity with NSDL/ CDSL.
9. Payment of interest or repayment of principal would be made to those Bond holders whose names appear on the list of beneficial owners given by the Depositories to the Issuer as on Record Date/ Book Closure Date. In case of those Bond for which the beneficial owner is not identified by the Depository as on the Record Date/ Book Closure Date, the issuer would keep in abeyance the payment of interest or repayment of principal, till such time that the beneficial owner is identified by the Depository and conveyed to the Issuer, whereupon the interest or principal would be paid to the

beneficiaries, as identified, within a period of 30 (thirty) days.

10. The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form and after due verification, allotment advice/ refund order, if any, would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the Bonds to the applicants Depository Account will be provided to the applicant by the Depository Participant of the applicant.

(S) HOW TO APPLY:

This being a private placement offer, investors who are established/ resident in India and who have been addressed through this communication directly only are eligible to apply.

1. The remittance of application money is to be made through Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:

| | |
|----------------------------|---|
| 1. Name of the Bank | STATE BANK OF INDIA |
| Branch | Commercial Branch, Chennai-600001 |
| IFSC Code | SBIN 0007347 |
| MICR Code | 600002014 |
| Name of the Beneficiary | TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LTD |
| Account Number | 32909519176 |
| Narration | Subscription for Bond Issue |

| | |
|----------------------------|---|
| 2. Name of the Bank | HDFC BANK |
| Branch | Dr.R.K. Salai Mylapore, Chennai-600004 |
| IFSC Code | HDFC0000004 |
| MICR Code | 600240002 |
| Name of the Beneficiary | TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LTD |
| Account Number | 00040350001223 |
| Narration | Subscription for Bond Issue |

2. Cash, Money Orders, Demand draft, Postal Orders shall not be accepted. The Issuer assumes no responsibility for any applications lost in mail. The entire amount of Rs.10 lakhs per Bond is payable on application.

3. All Application Forms duly completed (along with all necessary documents as detailed in this Disclosure Document) must be delivered before the closing of the issue to the Arranger(s) to the Issue. While forwarding the application form, applicants must ensure that the relevant UTR number/ or any other evidence of having remitted the application money is obtained. Detailed instructions for filling up the application form are provided elsewhere in this Disclosure Document.

4. Applications for the Bonds must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English and as per the instructions contained therein. Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the prescribed manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

5. The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. if the investor does not submit

Form 15G/15AA/other evidence, as the case may be for non-deduction of tax at source. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention "Applied for" and in case the applicant is not assessed to income tax, the applicant shall mention 'Not Applicable' (stating reasons for non applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.

6. All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring "approved security" status for making investments. No separate receipts shall be issued for the application money. However, Arranger(s) to the Issue at their Designated Branch (es) receiving the duly completed Application Form(s) will acknowledge the receipt of the applications by stamping and returning the acknowledgment slip to the applicant. Applications shall be deemed to have been received by the Issuer only when submitted to Arranger(s) to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.
7. For further instructions about how to make an application for applying for the Bonds and procedure for remittance of application money, please refer to the Summary Term Sheet and the Application form carefully.

***INVESTOR GRIEVANCE AND REDRESSAL SYSTEMS**

Arrangements have been made to redress investor grievances expeditiously as far as possible, the Issuer endeavors to resolve the investor's 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 details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at registered office of the Issuer. All investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contracted 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. Contact details of the Compliance Officer are given elsewhere in this Disclosure Document.

| | |
|----------------------------|--|
| Investor Relations Officer | K. SUNDARAVADHANAM |
| Designation/ Dept | CHIEF FINANCIAL CONTROLLER |
| Address | Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO Ltd), NPKRR MAALIGAI, 144, ANNA SALAI, CHENNAI – 600 002. |
| Ph No | 044-28520131 |
| Fax | 044-28521561 |
| Email | dfcres@tnebnet.org |
| Website | www.tangedco.gov.in |

(T) TERM SHEET:

ISSUE DETAILS

| | |
|----------------------|--|
| Security Name | 9.25% TANGEDCO Bond Series-3/2016-17 |
| Issuer | TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED ("TANGEDCO"/ "THE ISSUER"). |
| Type of Instrument | State Government Guaranteed, Unsecured, Rated, Listed, Redeemable, Non Convertible Taxable Bonds. |
| Nature of Instrument | Unsecured |
| Seniority | N.A. |
| Mode of Issue | Private Placement |
| Eligible Investors | <p>1. QUALIFIED INSTITUTIONAL BUYERS ("QIBS"):</p> <p>a. Mutual Funds, b. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;</p> |

| | |
|---|---|
| | <p>c. Scheduled Commercial Banks;</p> <p>d. State Industrial Development Corporations;</p> <p>e. Insurance Companies registered with the Insurance Regulatory and Development Authority;</p> <p>f. Provident Funds and Pension Funds with minimum corpus of Rs. 25.00 crore;</p> <p>g. National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</p> <p>h. Insurance funds set up and managed by army, navy or air force of the Union of India.</p> |
| | <p>2. NON - QIBS:</p> <p>a. Companies and Bodies Corporate authorized to invest in bonds/ debentures;</p> <p>b. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/ debentures;</p> <p>c. Gratuity Funds and Superannuation Funds;</p> <p>d. Provident Funds and Pension Funds with corpus of less than Rs. 25.00 crore;</p> <p>e. Societies authorized to invest in bonds/ debentures;</p> <p>f. Trusts authorized to invest in bonds/ debentures;</p> <p>g. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures;</p> |
| Non- Eligible classes of investors | <p>1. Minors without a guardian name (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);</p> <p>2. Non-resident investors being an individual including NRIs, QFIs (Individual), and FPIs (individual);</p> <p>3. Venture Capital Fund and Foreign Venture Capital Investor;</p> <p>4. Overseas Corporate Bodies; and</p> <p>5. Person ineligible to contract under applicable statutory/regulatory requirements.</p> <p>6. Resident Individual Investors;</p> <p>7. Hindu Undivided Families;</p> |
| Listing (including name of stock Exchange(s) where it will be listed and timeline for listing) | Proposed on the Wholesale Debt Market (WDM) Segment of the BSE Limited ("BSE"). |
| Rating of the Instrument | Provisional ICRA "A- (SO)" by ICRA Ltd and "Provisional IND A (SO)" by India Rating & Research Pvt Ltd. |
| Issue Size | Rs. 110.50 Crores |
| Objects of the Issue | To meet the capital expenditure of TANGEDCO |
| Details of the utilization of the Proceeds | Proceeds of the issue will be utilized to meet the object of the issue. |
| Coupon Rate | 9.25% |
| Step Up/Step Down Coupon Rate | None |
| Coupon Payment Frequency | Semi Annually |

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| Coupon payment dates | Half yearly every year starting from the end of the six months from deemed date of allotment (<i>Refer disclosure of cash flows as per SEBI Circular No: CIR/IMD/DF/18/2013 dated October 29, 2013) mentioned elsewhere in this Disclosure Document.</i> |
| Coupon Type | Fixed |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.). | None |
| Day Count Basis | Actual/ Actual (<i>as per SEBI Circular no CIR/IMD/DF/18/2013 dated 29th Oct 2013</i>) |
| Interest on Application Money | In respect of Investors to whom Bonds are Allotted in the Issue, interest on Application Money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) on the aggregate face value amount of Bonds for the period starting from and including the date of realization of Application Money in Issuer's Bank Account up to but excluding the Deemed Date of Allotment. Such interest on Application Money shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment. |
| Interest on Refunded Money against which Allotment is not made | In respect of applications, which are valid but rejected on account of oversubscription, interest on refunded money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) (excluding the valid rejections) for the period starting from and including the date of realization of Application Money in Issuer's Bank Account up to but excluding the Deemed Date of Allotment. The refund amounts together with interest thereon shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment. |
| Default Interest Rate | In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the coupon rate will be payable by the Organization for the defaulting period. Also refer "Events of Default" in the Summary Term Sheet of Disclosure Document. |
| Tenor | 10 Years |
| Redemption Date | 1. At par 30% at end of 8 th year from deemed date of allotment. 2. At par 30% at end of 9 th year from deemed date of allotment. 3. At par 40% at end of 10 th year from deemed date of allotment. |
| Redemption Amount | At Par |
| Redemption Premium /Discount | None |
| Issue Premium /Discount | None |
| Bond Series | Series 3/2016-17 |
| Issue Price | Rs. 10,00,000/- (Rupees Ten Lakhs) per Bond. |
| Face Value | Rs. 10,00,000/- (Rupees Ten Lakhs) per Bond. |
| Discount at which security is issued and the effective yield as a result of such discount. | None |

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| Put option Date | 7 Years from Deemed date of allotment |
| Put option Price | At Par |
| Call Option Date | 7 Years from Deemed date of allotment |
| Call Option Price | At Par |
| Put Notification Time | 15 days before the put option date |
| Call Notification Time | 15 days before the call option date |
| Minimum Application and in multiples of Debt securities thereafter | Minimum application is of 1 bond of face value of Rs. 10 lakhs and in multiple of 1 bond thereafter |
| Basis of Allotment (if any) | The issuer reserves the right to reject any/all applications fully or partially at its sole discretion, without assigning any reason whatsoever. |
| Issuance mode of the Instrument | Demat only |
| Trading mode of the Instrument | Demat only |
| Settlement mode of the Instrument | Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ RTGS/ Fund Transfer/ NECS/ NEFT or any other electronic mode offered by the Banks. |
| Business Day Convention | <ol style="list-style-type: none"> 1. If any Coupon Payment Date falls on a day that is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in Tamilnadu), the payment shall be made by the Issuer on the immediately succeeding Business Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date. 2. In case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in Tamilnadu), then the payment due shall be made on previous working day. 3. If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in Tamilnadu), 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. |
| Record Date | <p>15 days prior to each Coupon Payment Date and Put/ Call Option Due Date and Redemption Date.</p> <p>In the event 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.</p> |
| Depository | National Securities Depository Limited (NSDL)and Central Depository Services (India) Limited (CDSL). |
| Security (where applicable) | The Bonds are guaranteed unconditionally and irrevocably by the State Government (Government of Tamilnadu) as to the repayment of principal together with interest and other charges thereon on the Bonds, till the principal is redeemed fully from the date of issue of Bonds. |

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| Transaction Documents | <p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Bondholders; 2. Debenture Trusteeship Agreement; 3. Debenture/Bond Trust Deed; 4. Rating letter from ICRA Limited; 5. Rating letter from India Rating & Research Pvt Ltd; 6. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 7. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 8. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar; 9. Application made to BSE Limited for seeking their in-principle approval for listing of Bonds; 10. Listing Agreement with BSE Limited; 11. Letters appointing Arrangers to the Issue. |
| Conditions Precedent to Disbursement | <p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> 1. Rating letter(s) from the aforesaid rating agencies not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 3. Application to BSE for seeking its in-principle approval for listing of Bonds. |
| Condition Subsequent to Disbursement | <p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Disclosure Document:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment; 2. Making listing application to BSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds in pursuance of SEBI Debt Regulations; 3. Executing the Bond/ Debenture Trust Deed/ Deed of Hypothecation and/or other security document(s) for creation of security within time frame prescribed in the relevant regulations/ act/ rules etc and submit with BSE within 5 working days of execution of the same for uploading on its website in pursuance of SEBI Debt Regulations. <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.</p> |
| Events of Default | <p>If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an "Event of Default" by the Issuer.</p> |

| | |
|--|--|
| Remedies | Upon the occurrence of any of the Events of Default, the Trustees shall on instructions from majority Bondholder(s), declare the amounts outstanding to be due and payable forthwith and the security created under the security documents shall become enforceable, and the Trustees shall have the right to enforce any security created pursuant to the security documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustees may deem fit under the applicable laws. |
| Additional Covenants | <p>1. Default in payment: In case of default in payment of interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the Coupon Rate will be payable by the Organization for the defaulting period.</p> <p>2. Delay in Listing: In case of delay in listing of the debt securities beyond 20 days from the Deemed Date of Allotment, the Organization will pay penal interest of at least 1% p.a. over the coupon rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such debt securities to the investor.</p> <p>3. On the happening of any of the event of default, in addition to the rights specified above, the Bond Holders/Bond Trustees shall have the right as indicated in the SEBI Regulations/ Company Act 2013 from time to time.</p> |
| Provisions related to Cross Default Clause | Not Applicable |
| Role and Responsibilities of Debenture Trustee | <p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the Trust Reposed in the Trustees by the Holder(s) of the Bonds and shall further conduct itself and complied with the provisions of all applicable laws provided that, the provisions of Sec. 20 of the Indian Trusts Act, 1882 shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of Companies Act 2013, SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees), Regulations, 1993, the Bond/Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents with due care, diligence and loyalty.</p> <p>The Trustees shall be vested with the requisite powers for protecting the interest of Holder(s) of the Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Bonds. The Issuer shall, till the redemption of Bonds, submit its latest audited/limited review half yearly consolidated (wherever available) and stand alone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and Audited Qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide Circular No. SEBI/IMD/</p> |

| | |
|--------------------------------|---|
| | BOND/1/2009/11/05 dt.May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the Financial Year submit a copy of the latest Annual Report to the Trustees and the Trustees shall be obliged to share the details so submitted with all Bond Holder(s) within two working days of their specific request. |
| Governing Law and Jurisdiction | The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of District Courts of Chennai |
| Trustees | SBICAP TRUSTEE COMPANY LTD |
| Registrar | INTEGRATED ENTERPRISES (INDIA) LIMITED |
| ISSUE TIMING : | |
| Issue Opening Date | 8 th February 2017 |
| Issue Closing Date | 28 th February 2017 |
| Pay-in Date | 8 th February 2017 to 28 th February 2017 |
| Deemed Date of Allotment | 10 th March 2017 |
| Payment Mode | The remittance of application money can be made by cheque/Demand Draft or through Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder: |
| Collection Banker: | State Bank Of India & HDFC Bank |

| | |
|----------------------------|---|
| 1. Name of the Bank | : STATE BANK OF INDIA |
| Branch | Commercial Branch, Chennai-600001 |
| IFSC Code | SBIN 0007347 |
| MICR Code | 600002014 |
| Name of the Beneficiary | TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LTD |
| Account Number | 32909519176 |
| Narration | Subscription for Bond Issue |
| 2. Name of the Bank | HDFC BANK |
| Branch | Dr.R.K. Salai, Mylapore, Chennai-600002 |
| IFSC Code | HDFC0000004 |
| MICR Code | 600240002 |
| Name of the Beneficiary | TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LTD |
| Account Number | 00040350001223 |
| Narration | Subscription for Bond Issue |

* Subject to deduction of Tax at source as applicable

** The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. Incase if the Issue Closing Date/ Pay in Date is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Put/ Call Option due Date and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer.

(U) DISCLOSURE OF CASH FLOWS: As per SEBI Circular No: CIR/IMD/DF/18/2013 dated October 29, 2013

| Company | TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED |
|--|---|
| Tenure | 10 Years |
| Face Value (per security) | Rs. 10,00,000/- per bond (Rs Ten Lakh only) |
| Deemed Date of Allotment | 10 th March 2017 |
| Redemption | 1. 30% at the end of 8 th year 2. 30% at the end of 9 th year 3. 40% at the end of 10 th year |
| Coupon Rate | 9.25% p.a (payable semi-annually) from the date of allotment |
| Frequency of the interest payment with specified dates | First interest payment on 11 th September 2017 and subsequently on 12 th March 2018, and 10 th September 2018 semi-annually till maturity. |
| Day count Convention | Actual/Actual |

| Cash flows | Date | No. of days in Coupon Period | Amount in Rupees |
|----------------------|-------------------------------|------------------------------|------------------|
| 1st Coupon | Monday, September 11, 2017 | 185 | 46884 |
| 2nd Coupon | Monday, March 12, 2018 | 182 | 46123 |
| 3rd Coupon | Monday, September 10, 2018 | 182 | 46123 |
| 4th Coupon | Monday, March 11, 2019 | 182 | 46123 |
| 5th Coupon | Tuesday, September 10, 2019 | 183 | 46377 |
| 6th Coupon | Tuesday, March 10, 2020 | 182 | 46123 |
| 7th Coupon | Thursday, September 10, 2020 | 184 | 46503 |
| 8th Coupon | Wednesday, March 10, 2021 | 181 | 45745 |
| 9th Coupon | Friday, September 10, 2021 | 184 | 46630 |
| 10th Coupon | Thursday, March 10, 2022 | 181 | 45870 |
| 11th Coupon | Monday, September 12, 2022 | 186 | 47137 |
| 12th Coupon | Friday, March 10, 2023 | 179 | 45363 |
| 13th Coupon | Monday, September 11, 2023 | 185 | 46884 |
| 14th Coupon | Monday, March 11, 2024 | 182 | 46123 |
| 15th Coupon | Tuesday, September 10, 2024 | 183 | 46250 |
| 16th Coupon | Monday, March 10, 2025 | 181 | 45745 |
| 30% Principal | | | 300000 |
| 17th Coupon | Wednesday, September 10, 2025 | 184 | 32641 |
| 18th Coupon | Tuesday, March 10, 2026 | 181 | 32109 |
| 30% Principal | | | 300000 |
| 19th Coupon | Thursday, September 10, 2026 | 184 | 18652 |
| 20th Coupon | Wednesday, March 10, 2027 | 181 | 18348 |
| 40% Principal | | | 400000 |
| | TOTAL | | 1841752 |

* The Cash Flow displayed above is calculated per bond (face value of Rs. 10,00,000).

* The Cash Flow assumes that the call option(s) available on this bond (if applicable) have not been exercised by the "TANGEDCO"/ "THE ISSUER".

* The Cash Flow is calculated considering year -2016, 2020 and 2024 as Leap years. Hence number of days taken as 366 days for interest calculations. (Actual/ Actual - as per SEBI Circular no CIR/IMD/DF/18/2013 dated 29th Oct 2013).

* If the date of payment of interest happens to be holiday, the Interest payment will be made on the next working day with Interest for the intervening period.

* In case of Redemption of Bonds if the date happens to be holiday, the payment will be made on the previous working day.

* If the maturity date falls on a holiday, redemption and accrued interest payment will be made on the previous working day.

* The cash flow has been prepared based on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.

* Interest payments are rounded-off to nearest rupee as per the FIMMDA 'Handbook on market practices'.

(V) TERMS OF OFFER (DETAILS OF DEBT SECURITIES PROPOSED TO BE ISSUED, MODE OF ISSUANCE, ISSUE SIZE, UTILIZATION OF ISSUE PROCEEDS, STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED, REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION, DISCOUNT AT WHICH OFFER IS MADE AND EFFECTIVE YIELD FOR INVESTOR.

ISSUE SIZE

The Issuer proposes to raise Rs 110.10 Crores (Rupees One hundred and Ten Crore and fifty lakh Only).

PRESENT ISSUE

TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED. [TANGEDCO] (hereinafter referred to as the 'Company'/'Issuer') proposes to raise State Government Guaranteed, Unsecured, Rated, Listed, Redeemable, Non Convertible Taxable Bonds of Rs. 10.00 Lacs each for cash at par aggregating to Rs 110.50 Crore (Rupees One Hundred and ten Crore and fifty lakh Only) under Private Placement basis "Series-3/2016-17".

NATURE OF INSTRUMENT

State Government Guaranteed, Unsecured, Rated, Listed, Redeemable, Non Convertible Taxable Bonds.

FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTOR

Each Bond has a face value of Rs. 10, 00,000/- (Rupees Ten Lacs Only) and is issued at par i.e. for Rs. 10, 00,000/- (Rupees Ten Lacs Only).

MINIMUM APPLICATION

The application should be for a minimum of 1 (One) Bond and in multiples of 1 (One) Bond thereafter.

LISTING

The Company proposes to list these Bonds on the Wholesale Debt Market (WDM) Segment of the Bombay Stock Exchange Limited ("BSE").

SECURITY

The Bonds shall be unsecured in nature.

OBJECTS OF THE PLACEMENT

The proceeds of the issue shall be to meet the capital expenditure of TANGEDCO.

UTILIZATION OF THE ISSUE PROCEEDS

The proceeds of the issue would be utilized to meet the object of the issue.

ELIGIBILITY TO COME OUT WITH THE ISSUE

The Issuer or the person in control of the Issuer, or its promoter, has not been restrained or prohibited or debarred by SEBI/ any other Government authority from accessing the securities market or dealing in securities and such direction or order is in force.

REGISTRATION AND GOVERNMENT APPROVALS

The Company can undertake the activities proposed by it in view of the present approvals and no further approval from any government authority (ies) is required by it to undertake the proposed activities save and except those approvals which may be required to be taken in the normal course of business from time to time.

AUTHORITY FOR THE ISSUE

The present placement of Bonds is being made pursuant to the resolution passed by the Board of Directors of the company through circulation on 28th of September 2016 and Shareholders of the Company at its meeting held on 1st of July 2016.

UNDERWRITING

The present Issue of Bonds on private placement basis has not been underwritten.

GUARANTEE

The Bonds are backed with unconditional and irrevocable guarantee from the Government of Tamil Nadu for Timely Payment of Interest and repayment of principal Amount.

AN UNDERTAKING THAT THE ISSUER SHALL USE A COMMON FORM OF TRANSFER

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

The Company undertakes that it shall use a common form/ procedure for transfer of Bonds issued under terms of this Disclosure Document.

TERMS AND CONDITIONS OF THE ISSUE

This is a confidential Disclosure Document setting out the terms and conditions pertaining to issue of State Government Guaranteed, Unsecured, Rated, Listed, Redeemable, Non Convertible Taxable Bonds of Rs. 10.00 Lacs each for cash at par aggregating to aggregating to Rs 100 Crore (Rupees One Hundred crore Only) under Private Placement basis to be issued by **TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED**, [TANGEDCO] (hereinafter referred to as the 'Company'/'Issuer')). Your participation is subject to the completion and submission of Application Form along with application money and acceptance of the offer by the Company.

TERMS OF PAYMENT

The full face value of the Bonds applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s)/RTGS for the full face value of the Bonds applied for.

| Face Value Per Bond | Minimum Application for | Amount Payable on Application per Bond |
|---|---|---|
| Rs. 10,00,000/- (Rupees Ten Lacs Only) | 1 Bond and in multiples of 1 Bond thereafter | Rs. 10,00,000/- (Rupees Ten Lacs Only) |

DEEMED DATE OF ALLOTMENT

Interest on Bonds shall accrue to the Bond holder(s) from the Deemed Date of Allotment. All benefits relating to the Bonds will be available to the investors from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. In case if the issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Company at its sole and absolute discretion.

MINIMUM SUBSCRIPTION

As the current issue of Bonds is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

BASIS OF ALLOCATION / ALLOTMENT

The issuer reserves the right to reject any/all applications fully or partially at its sole discretion, without assigning any reason whatsoever.

MARKET LOT

The market lot will be one Bond ("Market Lot"). Since the Bonds are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.

The market lot will be 1 Bond of the face value of Rs.10 lacs (Rupees Ten Lacs Only).

TRADING OF BONDS

The marketable lot for the purpose of trading of Bonds shall be 1 (one) Bond of face value of Rs. 10 Lacs each. Trading of Bonds would be permitted in demat mode only in standard denomination of Rs. 10 Lacs and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

INTEREST ON APPLICATION MONEY

Interest at appropriate coupon rate payable semi annually (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the applicants on the application money for the Bonds.

Such interest on application money shall be paid from the date of realization of application money upto one

day prior to the Deemed Date of Allotment. The interest on application money will be computed on an Actual day basis. Such interest would be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the Refund Orders. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money.

In case of any delay in allotment beyond 15 working days from the date of closure of issue, interest would be payable at the contracted rate for the period of delay, subject to a maximum of 15 (fifteen) days.

The interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the company within 15 (fifteen) days from the Deemed Date of Allotment and the relative interest warrant(s) along with the Refund Order(s) as the case may be will be dispatched by registered post to the sole/ first applicant at the sole risk of the applicant.

INTEREST ON THE BONDS

The Bonds shall carry interest at appropriate coupon rate p.a. payable semi annually (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company) on the outstanding principal amount of Bonds. The interest shall be serviced semi annually throughout the tenure of the Bonds till final redemption. The Final interest payment would be made on redemption date along with the redemption of principal amount. Interest on Bonds will cease on the date of final redemption in all events.

The Bonds shall carry interest at the Coupon Rate from, and including, the Deemed Date of Allotment up to, but excluding the Put/ Call Option Due Date/ Redemption Date, as the case may be, payable on the "Coupon Payment Dates", on the outstanding principal amount of Bonds till Put/ Call Option Due Date/ Redemption Date, to the holders of Bonds (the "Holders" and each, a "Holder") as of the relevant Record Date. Interest on Bonds will cease from the Put/ Call Option Due Date/ Redemption Date, as the case may be, in all events. Payment of interest shall be made by way of cheque(s)/ interest warrant(s)/ credit through RTGS/NEFT mechanism. When interest payment is made by way cheque(s), the same shall be dispatched by the Company at least 7 (seven) days prior to the due date and shall be dispatched by registered post to the sole/ first applicant, at the sole risk of the applicant.

If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in Tamil Nadu), then payment of interest will be made on the next day that is a business day as per SEBI circular dated October 29th 2013.

In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the Interest Payment Dates may also be revised pre-poned/ postponed) accordingly by the Company at its sole & absolute discretion.

PAYMENT OF INTEREST/ PRINCIPAL

Payment of interest and repayment of principal shall be made by way of cheque(s)/ demand draft(s)/ RTGS/ NEFT mechanism.

COMPUTATION OF INTEREST

Interest for each of the interest periods shall be computed as per Actual/ Actual day count convention on the face value amount of Bonds outstanding at the Coupon Rate rounded off to the nearest Rupee. Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis, on the face value amount of Bonds outstanding.

EFFECT OF HOLIDAYS: - As per SEBI Circular Dated October 29, 2013

Should any of dates defined above or elsewhere in the Disclosure Document, excepting the Deemed Date of Allotment, fall on a Saturday, Sunday or a Public Holiday, the next working day shall be considered as the effective date(s).

- (a) *If the coupon payment date(s) falls on a Sunday or a holiday, the coupon payment shall be made on the next working day.*
- (b) *If the maturity date falls on Sunday or on holiday, the redemption proceeds shall be paid on the previous working day.*
- (c) *If the maturity date falls on a holiday, redemption and accrued interest are payable on the immediately previous working day.*

RECORD DATE

The "Record Date" for the Bonds shall be 15 days prior to each Coupon Payment Date, Put/ Call Option Due Date and Redemption Date. In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the Record Date and the Redemption Date. Interest payment and principal repayment shall be made to the person whose name appears as beneficiary with the Depositories as on Record Date. In the event of the Issuer not receiving any notice of transfer at least 15 days before the respective Coupon Payment Date, Put/ Call Option Due Date and Redemption Date, the transferees for the Bonds shall not have any claim against the Issuer in respect of amount so paid to the registered Bondholders.

In the event 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.

PUT & CALL OPTION

The Bondholders as well as the Company shall have the option to redeem the Bonds at par, prior to maturity, at the end of 7 Year from the Deemed Date of Allotment.

A. PROCEDURE FOR EXERCISE OF PUT OPTION:

The Bondholders shall have the right to "Put" the Bonds i.e. get them redeemed, at par, prior to maturity, on 16th November 2023. For availing of this facility, the Bondholders should forward a request in writing to the Company at least 15 days prior to the respective Put Option Due Date.

B. PROCEDURE FOR EXERCISE OF CALL OPTION:

The Company shall have the right to "Call" the Bonds i.e. redeem the Bonds in whole and not in part, at par, prior to maturity, on 10th March 2024. In case of exercise of "Call Option" by the Company, it shall notify its intention to do so through a public notice in at least in one English Newspaper circulating in whole or substantially the whole of India and one the Hindi daily newspaper and/ or through notice sent by registered post/ courier to the sole/ first allottee or sole/ first beneficial owner of the Bonds at least 15 days prior to the respective Call Option Due Date at their registered addresses.

In case the "Put/ Call Option" Due Date falls on a day which is not a business day (Business Day being a day on which commercial Banks are open for business in the city of Tamil Nadu), the payment due shall be made on the previous working day .

Payment on exercise of "Put/ Call Option" shall be made by way of cheque (s)/ demand draft (s)/ credit through RTGS system in the name of the Bondholders whose name appear on the List of Beneficial Owners given by Depository(ies) to the Company as on the Record Date.

The Bonds shall be taken as discharged on payment of the redemption amount by the Company on exercise of "Put/ Call Option" to the list of beneficial owners as provided by Depository to the Company as on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the bondholders. On such payment being made, Company will inform depositaries/ Depository Participant and accordingly the account of the Bondholders with Depositories/ Depository Participant will be adjusted.

REDEMPTION

The face value of the Bonds shall be redeemed at par, on the Redemption Date. The Bonds will not carry any obligation, for interest or otherwise, after the Redemption Date. The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer on the Redemption Date to the registered Bondholders whose name appear in the Register of Bondholders on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Bondholders.

Redemption will be as follows:

1. At par 30% at end of 8th year from deemed date of allotment.
2. At par 30% at end of 9th year from deemed date of allotment.
3. At par 40% at end of 10th year from deemed date of allotment.

PAYMENT ON REDEMPTION

Payment on redemption will be made by cheque (s)/ warrants(s)/RTGS in the name of the Bond holder whose name appears on the List of Beneficial owners given by Depository to the Company as on the Record Date. On the Company dispatching the redemption warrants to such Beneficiary (ies) by registered post/ courier, the liability of the Company shall stand extinguished.

The Bonds shall be taken as discharged on payment of the redemption amount by the Company on maturity to the list of Beneficial Owners as provided by NSDL/ CDSL/ Depository Participant. Such payment will be a legal discharge of the liability of the Company towards the Bond holders. On such payment being made, the Company will inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Bond holders with NSDL/ CDSL/ Depository Participant will be adjusted.

The Company's liability to the Bond holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the date of redemption. On the Company dispatching the amount as specified above in respect of the Bonds, the liability of the Company shall stand extinguished.

DEPOSITORY ARRANGEMENTS

The Company has appointed **Integrated Enterprises (India) Limited**, Chennai, as Registrars & Transfer Agent for the present bond issue. The Company shall make necessary depository arrangements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for issue and holding of Bond in dematerialized form. In this context the Company shall sign two tripartite agreements as under:

- Tripartite Agreement between Issuer Company, RTA and National Securities Depository Ltd. (NSDL) for offering depository option to the investors.
- Tripartite Agreement between Issuer Company, RTA and Central Depository Services (I) Ltd. (CDSL) for offering depository option to the investors.

Investors can hold the Bonds only in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

LIST OF BENEFICIAL OWNERS

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount on maturity, as the case may be.

LETTER OF ALLOTMENT AND BOND CERTIFICATE

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given initial credit within 2 days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Bond Certificate.

ISSUE OF BOND CERTIFICATE(S)

Subject to the completion of all statutory formalities within time frame prescribed in the relevant regulations/ act/ rules etc, the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Bonds allotted. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

DISPATCH OF REFUND ORDERS

The Company shall ensure dispatch of Refund Order(s) by Registered Post only and adequate funds for the purpose shall be made available to the Registrar to the Issue by the Issuer Company.

JOINT-HOLDERS

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to other provisions contained in the Articles.

SHARING OF INFORMATION

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

MODE OF TRANSFER OF BONDS

Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Bonds to and from NRIs/ OCBs, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

SUCCESSION

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Company shall recognize the executor or administrator of the deceased Bond holder, or the holder of succession certificate or other legal representative as having title to the Bond(s). The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator

obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Company may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bond (s) standing in the name of the deceased Bond holder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Bond by way of succession, the following steps have to be complied with:

- Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
- Proof that the NRI is an Indian National or is of Indian origin.

Such holding by the NRI will be on a non-repatriation basis.

RIGHT TO ACCEPT OR REJECT APPLICATIONS

The Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realization of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- Number of Bonds applied for is less than the minimum application size;
- Applications exceeding the issue size;
- Bank account details not given;
- Details for issue of Bonds in electronic/ dematerialized form not given; PAN/GIR and IT Circle/Ward/District not given;
- In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc relevant documents not submitted;

In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

FICTITIOUS APPLICATIONS

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

"Any person who—

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

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

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

Shall be liable for action under section 447."

FUTURE BORROWINGS

The Company shall be entitled, from time to time, to make further issue of bonds and / or Bonds and other such instruments to the public / members of the Company / banks / financial institutions / bodies corporate /mutual funds and / or any other person(s) and /or to raise further loans, advances and/or avail of further financial and / or guarantee facilities from all or any of the above without obtaining the approval of the Bondholders and/or the Trustee.

RIGHTS OF BOND HOLDER(S)

The Bond holders will not be entitled to any rights and privileges of share holders other than those available to them under statutory requirements. The Bonds shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of shareholders of the Company. The principal amount and interest, if any, on the Bonds will be paid to the sole holder only, and in the case of joint holders, to the one whose name stands first in the Register of Bond holders. The Bonds shall be subject to other usual terms and conditions incorporated in the Bond certificate(s) that will be issued to the allottee (s) of such Bonds by the Company and also in the Trustee Agreement / Trust Deed.

MODIFICATION OF RIGHTS

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Company.

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 the Company, such resolution will first be placed before the bondholders through the Trustees for their consideration.

NOTICES

All notices required to be given by the Issuer or by the Trustees 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 if published in one All India English daily newspaper and one regional language newspaper.

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 the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

EVENT OF DEFAULT

If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an "Event of Default" by the Issuer.

ADDITIONAL COVENANTS

1. DEFAULT IN PAYMENT:

In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the coupon rate will be payable by the issuer for the defaulting period

2. DELAY IN LISTING:

In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the issuer will pay penal interest of at least 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor

3. On the happening of any of the event of default, in addition to the rights specified above, the Bond Holders/Bond Trustees shall have the right as indicated in the SEBI Regulations/ Company Act 2013 from time to time.

PAN/GIR NUMBER

All applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

TAX DEDUCTION AT SOURCE

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the registered office of the Company or at such other place as may be notified by the company in writing, at least 30 (thirty) calendar working days before the interest payment dates.

Tax exemption certificate/ declaration of non-deduction of tax at source on interest on application money, should be submitted along with the application form. Where any deduction of Income Tax is made at source, the Company shall send to the Bondholder(s) a Certificate of Tax Deduction at Source. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

Tax Deducted at source will paid to Income tax authorities on accrual or payment whichever is earlier basis

TAX BENEFITS TO THE BOND HOLDERS OF THE COMPANY

The holder(s) of the Bonds are advised to consider in their own case, the tax implications in respect of subscription to the Bonds after consulting their own tax advisor/ counsel.

SIGNATURES

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

ACKNOWLEDGEMENTS

No separate receipts will be issued for the application money. However, the Bankers to the Issue receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each Application Form.

DISPUTES & GOVERNING LAW

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

FORCE MAJEURE

The Company reserves the right to withdraw the issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Company reserves the right to change the Issue Schedule.

THE DISCOUNT AT WHICH SUCH OFFER IS MADE AND THE EFFECTIVE PRICE FOR THE INVESTOR AS A RESULT OF SUCH DISCOUNT

The bonds are being issued at face value and not at discount to offer price.

(W) MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER

By very nature of its business, the Issuer 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 the Issuer. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Issuer) which are or may be deemed to be material have been entered into by the Issuer. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Registered Office of the Issuer between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

A. MATERIAL CONTRACTS:

- a. Copy of letter appointing Registrar and Transfer Agents and copy of Agreement entered into between the Company and the Registrar.
- b. Copy of letter appointing Trustees to the Bondholders.

B. DOCUMENTS:

- a. Memorandum and Articles of Association of the Company as amended from time to time.
- b. Board Resolution dated 23rd January 2017 and Shareholders Resolution dated 1st July 2016 authorizing issue of Bonds offered under terms of this Disclosure Document.
- c. Letter of consent from the **SBICAP Trustee Company Ltd** for acting as trustees for and on behalf of the holder(s) of the Bonds.
- d. Letter of consent from the **Integrated Enterprises (India) Limited** for acting as Registrars to the Issue.
- e. In-principle approval from **BSE** for listing of Bonds.
- f. Letter from **India Rating & Research Pvt Ltd.** and **ICRA Limited** conveying the credit rating for the Bonds.
- g. Tripartite Agreement between the Issuer, NSDL and Registrars for issue of Bonds in dematerialised form.
- h. Tripartite Agreement between the Issuer, CDSL and Registrars for issue of Bonds in dematerialized form.
- i. Government Guarantee letter(s)

(X) FORM NO. PAS – 4

FORM NO. PAS – 4

PRIVATE PLACEMENT OFFER LETTER

[Pursuant to section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014]TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED
(TANGEDCO)

(Government of Tamil Nadu Undertaking)

NPKRR Maaligai, 144, Anna Salai, Chennai - 600 002.

Phone : 044-28520131, Fax No: 044-28414757, website: <http://www.tangedco.gov.in>

1. GENERAL INFORMATION

a. Name, address, website and other contact details of the company indicating both registered office and corporate office;

| SR. No | PARTICULARS : | | DETAILS |
|--|---------------|---|--|
| (i) REGISTERED OFFICE OF THE ISSUER | | | |
| • | Name | : | TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LIMITED (TANGEDCO) |
| • | Address | : | NPKRR Maaligai, 144 Anna Salai Chennai-600002 |
| • | Tele No | : | 044-28520131 |
| • | Fax No | : | 044-28521561 |
| • | Email | : | dfcres@tnebnet.org |
| • | Website | : | www.tangedco.gov.in |
| (ii) CORPORATE OFFICE OF THE ISSUER | | | |
| • | Name | : | TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LIMITED |
| • | Address | : | NPKRR MAALIGAI, 144, ANNA SALAI, CHENNAI – 600 002. |
| • | Tele No | : | 044-28520131 |
| • | Fax No | : | 044-28521561 |
| • | Email | : | dfcres@tnebnet.org |
| • | Website | : | www.tangedco.gov.in |

b. Date of incorporation of the company : 01.12.2009

c. Business carried on by the company and its subsidiaries with the details of branches or units, if any;

Please refer page number 10 of this Disclosure Document.

* Subsidiaries with the details of branches or units, if any; Not Applicable

d. Brief particulars of the management of the company;

Please refer page number 19 of this Disclosure Document

c. Names, addresses, DIN and occupations of the directors;

Please refer page number 18 of this Disclosure Document.

f. Management's perception of risk factors: NIL

g. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –

i) statutory dues: **NO default**

ii) debentures and interest thereon: **NO default**

iii) deposits and interest thereon: **NO default**

iv) Loan from any bank or financial institution and interest thereon. **NO default**

h. Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process;

| | | |
|---------|---|---|
| Name | : | K. SUNDARAVADHANAM/ CHIEF FINANCIAL CONTROLLER/GENERAL |
| Address | : | Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO Ltd),, NPKRR MAALIGAI, 144, ANNA SALAI, CHENNAI – 600 002. |
| Tele No | : | 044-28520131 |
| Fax No | : | 044-28521561 |
| Email | : | dfcres@tnebnet.org |
| Website | : | www.tangedco.gov.in |
| | | |

2. PARTICULARS OF THE OFFER

a. Date of passing of board resolution;

The present placement of Bonds is being made pursuant to the resolution passed by the Board of Directors of the company on 23.01.2017.

b. Date of passing of resolution in the general meeting, authorizing the offer of securities; 01.07.2016

c. Kinds of securities offered (i.e. whether share or debenture) and class of security;

PRIVATE PLACEMENT OF STATE GOVERNMENT GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON CONVERTIBLE TAXABLE BONDS OF RS. 10.00 LACS EACH FOR CASH AT PAR AGGREGATING TO RS.110.50 CRORES BY TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED ("TANGEDCO"/ "THE ISSUER") SERIES-3/2016-17.

d. Price at which the security is being offered including the premium, if any, alongwith justification of the price;

| | | |
|---|-----------------------------|-----------------|
| Price at which the security is being offered | Face Value | Rs. 10,00,000/- |
| | Discount | Nil |
| | Premium | Nil |
| | Total(Justification) | Rs. 10,00,000/- |

e. Name and address of the valuer who performed valuation of the security offered; Not applicable

f. Amount which the company intends to raise by way of securities; Rs. 110.50 crore.

g. Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;

h. Proposed time schedule for which the offer letter is valid; As per issue schedule mentioned in term sheet of this Disclosure Document. Please refer page 43

i. Purposes and objects of the offer;

The proceeds of the issue shall be to meet the capital expenditure of TANGEDCO.

j. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects; NIL

k. Principle terms of assets charged as security, if applicable; NIL

3. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

i. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.

Not Applicable

ii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.

Not Applicable

iii. Remuneration of directors (during the current year and last three financial years);

| Year | Amount (In.Rs) |
|---------|----------------|
| 2012-13 | 59,93,320 |
| 2013-14 | 81,45,460 |
| 2014-15 | 127,67,838 |
| 2015-16 | 139,21,471 |

iv. Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided:

NIL

v. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of 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 reservations or qualifications or adverse remark:

NIL

vi. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries :

NIL

vii. 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: **NIL**

4. FINANCIAL POSITION OF THE COMPANY

a) the capital structure of the company in the following manner in a tabular form-

(i) (a) the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);

| Particulars | Number of Securities | Description | Aggregate Nominal Value |
|--|----------------------|-------------|-------------------------|
| Authorised Capital | 1700,00,00,000 | Equity | Rs.10 |
| Issued, Subscribed and Paid-up share Capital | 1377,82,80,000 | Equity | Rs.10 |
| Subscribed Capital | 1377,82,80,000 | Equity | Rs.10 |
| Paid up Capital | 1377,82,80,000 | Equity | Rs.10 |

(b) size of the present offer; Rs. 110.50 Crore.

(c) paid up capital: Rs 13778.28 Crore

A) After the offer: Since the said offer pertains to State Government Guaranteed, Unsecured, Rated, Listed, Redeemable, Non- Convertible Taxable Bonds, it will not have any impact on issued share capital of the company

B) After conversion of convertible instruments (if applicable): Not Applicable

(d) share premium account (before and after the offer) : Not Applicable

(ii) The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.

Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case;

| Date of Allotment | No of Equity Shares | Face Value (Rs.) | Issue Price (In Rs) | Consideration (Cash, other than cash, etc) | Nature of Allotment | Cumulative | | | Remarks |
|-------------------|---------------------|------------------|---------------------|--|---------------------|----------------------|----------------------------|-------------------------------|---------|
| | | | | | | No. of Equity Shares | Equity share capital (Rs.) | Equity share premium (in Rs.) | |
| Incorporation | 50000 | 10 | 10 | Cash | At par | 50000 | 500000 | NIL | |
| 31.12.2011 | 2246077028 | 10 | 10 | Other than cash as per transfer G.O. | At par | 2246127028 | 22461270280 | NIL | |
| 27.9.2012 | 2305089600 | 10 | 10 | Cash | At par | 4551216628 | 45512166280 | NIL | |
| 20.4.2013 | 1493087836 | 10 | 10 | Cash | At par | 6044304464 | 60443044640 | NIL | |
| 30.10.2013 | 331030000 | 10 | 10 | Cash | At par | 6375334464 | 63753344640 | NIL | |
| 27.3.2014 | 1653000000 | 10 | 10 | Cash | At par | 8028334464 | 80283344640 | NIL | |
| 23.06.2014 | 662060000 | 10 | 10 | Cash | At par | 8690394464 | 86903944640 | NIL | |
| 26.09.2014 | 331030000 | 10 | 10 | Cash | At par | 9021424464 | 90214244640 | NIL | |
| 31.03.2015 | 2436130000 | 10 | 10 | Cash | At par | 11457554464 | 114575544640 | NIL | |
| 17.07.2015 | 993090000 | 10 | 10 | Cash | At par | 12450644464 | 124506444640 | NIL | |
| 30.09.2015 | 993090000 | 10 | 10 | Cash | At par | 12450644464 | 124506444640 | NIL | |
| 31.12.2016 | 1584670000 | 10 | 10 | Cash | At par | 14035314464 | 140353144640 | NIL | |

(b) Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter;

(Rs.in Crs)

| Profits before and after making provision for tax | Details | 2015-16 | Preceding Year 1 (2014-15) (Rs.in Crs) | Preceding Year 2 (2013-14) (Rs.in Crs) |
|---|---------|---------|--|--|
| | | PBT | -5786.81 | -12756.59 |
| | | PAT | -5786.81 | -12756.59 |

(c) Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)

| Year | Dividend | Interest Coverage Ratio (Cash Profit/interest Cost) |
|------------|----------|---|
| FY 2015-16 | NIL | 0.53 |
| FY 2014-15 | NIL | -0.41 |
| FY 2013-14 | NIL | -0.96 |
| FY 2012-13 | NIL | -1.00 |

(d) A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter;

Please refer page no 27 of this Disclosure Document.

(e) Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter;

Please refer page no 29 of this DD.

(f) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.

Not Applicable

(Y) DECLARATION:

The issuer undertakes that this Disclosure Document contains full disclosures in conformity with FORM PAS-4 prescribed under section 42 and rule(I) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended and As per SEBI Circular CIR/IMD/DF/18/2013 Dated October 29, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (amendment) regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014.

The Company has complied with the provisions of the Companies Act, 2013 and the rules made there under. It is to be distinctly understood that compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or repayment of redemption amount, 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 'Object of the Issue' indicated in the Disclosure Document.

The Issuer accepts no responsibility for the statements made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the issuer and that any one relying on such information from any other source would be doing so at his own risk.

The undersigned has been authorized by the Board of Directors of the company vide resolution dated 23rd January 2017 to sign this Disclosure Document and declared that all the requirements of the Companies Act, 2013, Securities Exchange Board of India (Issue and Listing of Debt Securities), Regulation, 2012 rules, regulations, guidelines and circulars issued there under in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this Disclosure Document and in the attachments thereto is true and 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 Associations 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 Disclosure Document.

For TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED
Company Secretary 
S. ARULSAMY,
M.Com., A.I.C.W.A., A.C.S., B.G.L., B.Ed.,
Company Secretary
Tamil Nadu Generation and Distribution
Corporation Ltd.,
144, Anna Salai, Chennai - 600 002.



TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LTD.

NPKRR MAALIGAI, 144, Anna Salai, Chennai - 600 002.

(Accounts Branch)

**EXTRACTS OF RESOLUTIONS APPROVED BY THE DIRECTORS OF
TANGEDCO LTD ON 23.01.2017**

- a. **Resolved further that** TANGEDCO is hereby authorized to mobilize funds through Private Placement of Bonds – 10th tranche, TANGEDCO Bond Series-3/2016-17, to the tune of Rs.110.50 crore against the Government Guarantee at the coupon rate of 9.25% p.a. (payable semi-annually) without engaging the service of Arrangers.
- b. **Resolved further that** the Chairman and Managing Director/ TANGEDCO be and is hereby authorized to reduce and refix the coupon rate as per the market conditions prevailing, before launching TANGEDCO Bond Series-3/2016-17.
- c. **Resolved further that** M/s. SBICAP Trustee Company Limited is hereby appointed to act as Trustee for the TANGEDCO Bond Series-3/2016-17.
- d. **Resolved further that** M/s. State Bank of India is hereby appointed to act as Escrow Agent for the TANGEDCO Bond Series-3/2016-17.
- e. **Resolved further that** M/s. Integrated Enterprises India Ltd., is hereby appointed to act as Registrar and Transfer Agent for the TANGEDCO Bond Series-3/2016-17.
- f. **Resolved further that** the State Bank of India and HDFC Bank are hereby appointed to act as Collecting Bankers for the TANGEDCO Bond Series-3/2016-17.
- g. **Resolved further that** the Chairman and Managing Director/ TANGEDCO be and is hereby authorized to accept the Terms and Conditions of Trustee, Escrow Agent, Registrar and Transfer Agent, Collecting Bankers, Bombay Stock Exchange and National Securities and Depository Ltd for mobilizing funds through Private Placement of Bonds (TANGEDCO Bond Series-3/2016-17) to the tune of Rs.110.50 crore against the Government guarantee at the coupon rate of 9.25% p.a. (payable semi-annually) and to make allotment of Bonds within 15 working days from the date of closure of issue, to the respective investors who have subscribed in the TANGEDCO Bond Series-3/2016-17.

...2...

-2-

- h. **Resolved further that** the Director-Finance/TANGEDCO and the Company Secretary/TANGEDCO be and is hereby authorized to execute relevant agreement/documents in connection with the above proposed bond issue and listing with Bombay Stock Exchange, obtaining DEMAT account with NSDL and CDSL, Trustee and Escrow Agent of the Bond and Registrar & Transfer Agent for mobilizing the above said Bond issue.
- i. **Resolved further that** the Escrow Account of the proposed Bond issue to be opened with SBI for disbursing the interest and redemption proceeds. The Financial Controller/ General/ TANGEDCO, Deputy Financial Controller/ Funds, Deputy Financial Controller/ Resources, Accounts Officer/Assistant Accounts Officer and Section Officer be and is hereby authorized to operate the Escrow Account; and any two of the first three or any one of the first three Authorized Signatories along with any one of the last two Authorised Signatories is jointly authenticated to operate the Escrow Account.
- j. **Resolved further that** the allotment advice may be issued to the respective investors of the proposed bond issue after the issue closing date as per the Disclosure Document.

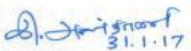
(BY ORDER OF THE BOARD)

K. SUNDARAVADHANAM
Chief Financial Controller/General

To

M/s. SBICAP Trustee Co Ltd., Mumbai.
M/s. Bombay Stock Exchange Ltd., Mumbai.
M/s. Integrated Enterprises (India) Ltd, Chennai – 17.
M/s. State Bank of India , Commercial Branch, Chennai – 1.
M/s. HDFC Bank, Chennai-4.

// True Copy / Forwarded / By Order //


(I. ARULRANI)
DEPUTY FINANCIAL CONTROLLER / RESOURCES
Deputy Financial Controller / Resources
Tamil Nadu Generation and Distribution Corporation Limited
Accounts Branch
144, Anna Salai, Chennai - 600 002,



**EXTRACT FROM THE MINUTES OF THE EXTRA ORDINARY GENERAL MEETING OF
TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED
HELD ON 01.07.2016 AT 4:45 P.M.**

RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, including any statutory modification, amendment, substitution or re-enactment thereof, for the time being in force; and the relevant provisions of the Memorandum and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to issue(s)/ offer(s)/ invitation(s) for subscription to Non-Convertible Debentures ("NCDs")/ Bonds unsecured, on private placement basis, in one or more tranches during a period of one year from the date of passing of this resolution, to eligible person(s), provided the outstanding amount at any time during the period to the extent of Rs.850.50 crore (Rupees eight hundred and fifty crore and fifty lakhs only), within the overall borrowing limits of the Company, as approved by the Directors of the Company from time to time.

FURTHER RESOLVED THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to the above resolution, including determining the terms and conditions of the NCDs/ Bonds unsecured.

The resolution was passed unanimously.

Certified True Copy

Date: 04.07.2016
Place: Chennai-2.

A handwritten signature in blue ink, appearing to read 'B. M. M.'
Company Secretary/TANGEDCO



ABSTRACT

Tamil Nadu Generation and Distribution Corporation Limited – Extension of validity for the enhanced Government Guarantee of Rs.4035.80 Crore up to 2016-17 to mobilize the funds to the tune of unutilized Government Guarantee of Rs.850.50 Crore through bond issue - Orders – Issued.

Energy (C2) Department

G.O.(Ms.)No.42

Dated: 31.05.2016

Thunmugi, Vaigasi 18
Thiruvalluvar Aandu 2047

Read:

- 1) G.O.(Ms) No.94, Energy (C2) Department, dated 17.09.2013.
- 2) G.O.(Ms) No.378, Finance (L&A Cell) Department, dated 18.9.2013.
- 3) G.O.(Ms) No.30, Energy (C2) Department, dated 21.4.2014.
- 4) G.O.(Ms) No.178, Finance (L&A Cell) Department, dated 30.6.2014.
- 5) G.O.Ms.No.10, Energy (C2) Department, dated.09.03.2015
- 6) G.O.(Ms) No.69, Finance (L&A Cell) Department, dated 16.03.2015.
- 7) From the Director (Finance) / Tamil Nadu Generation and Distribution Corporation Limited Letter No.047404/DFC/RES/A34/A342/2015,dated:08.02.2016

ORDER:

In the G.O's first and second read above, the Government issued unconditional and irrevocable Government Guarantee to Tamil Nadu Generation and Distribution Corporation Limited for an amount of Rs.4000.00 crores (Rupees Four Thousand Crores Only) for raising funds through private placement of Bonds during 2013-2014. In the G.O's third and fourth read above Government has enhanced the Government Guarantee from Rs.4000 Crore to Rs.4035.80 Crore.

2. In the G.O's fifth and sixth read above Government has issued orders for extension of validity of the Guarantee upto 2015-2016.

3. In the letter seventh read above the Director / Finance, Tamil Nadu Generation and Distribution Corporation Limited has stated that totally an amount of Rs.3185.30 crore has been mobilised against bond issue since February 2014 to January 2016 at various tranches as furnished below:-

| Sl.No. | Bond Series | Date of Allotment | Coupon Rate (payable semi-annually) | Mobilised Amount (Rs in cr) |
|--------|---------------------------------|-------------------|-------------------------------------|-----------------------------|
| 1 | TANGEDCO Bond Series-1/2013-14 | 10.02.2014 | 10.50% | 633.50 |
| 2 | TANGEDCO Bond Series-1/2014-15 | 16.07.2014 | 9.72% | 1000.00 |
| 3 | TANGEDCO Bond Series-2/2014-15 | 18.12.2014 | 9.20% | 1000.00 |
| 4 | TANGEDCO Bond Series- 3/2014-15 | 11.06.2015 | 9.00% | 501.80 |
| 5 | TANGEDCO Bond Series- 1/2015-16 | - | - | - |
| 6 | TANGEDCO Bond Series- 2/2015-16 | 08.02.2016 | 10.00% | 50.00 |
| Total | | | | 3185.30 |

The balance available unutilized Government Guarantee at present is Rs.850.50 crore.

4. He has further stated that during 2015-16, TANGEDCO has invited sealed tenders from Merchant Bankers to mobilize funds to the tune of Rs.250.00 crore with option to retain oversubscription upto Rs.250.00 crore, through private placement of bonds, in the 5th tranche, TANGEDCO Bond Series-1/2015-16, with a tender opening date on 10.09.2015. In response to the Tender Notice, no tender has been received from the Merchant Bankers in the scenario of 'New Investment Pattern' came into effect from 01.4.2015, which restricts the investment to the maximum of 10% in Central and State guaranteed securities. Thus the 5th Tranche Bond Series-1/2015-16 has been treated as closed due to 'Nil' response from the merchant bankers and zero mobilisation. Therefore, TANGEDCO has decided to mobilise funds with lowest quantum of Rs.50.00 crore with option to retain oversubscription upto Rs.50.00 crore in 6th tranche TANGEDCO Bond Issue Series-2/2015-16 and mobilised Rs.50.00 crore only successfully.

5. He has also stated that Financial Year 2015-16 is nearing end and the validity of the Government Guarantee of Rs.4035.80 crore issued to TANGEDCO in the G.O's fifth and sixth read above gets expired on 31.3.2016. Therefore, the Director (Finance) Tamil Nadu Generation and Distribution Corporation Limited has requested the Government to extend the validity of the Government Guarantee for the Financial Year 2016-17 and issue necessary orders, so as to mobilize the balance unutilized Government Guarantee of Rs.850.50 crore through bond issue.

6. The Government after careful examination accept the request of the Director / Finance, Tamil Nadu Generation and Distribution Corporation Limited. Accordingly, the Government hereby extend the validity of the enhanced Government Guarantee for a sum of Rs.4035.80 Crores (Rupees Four Thousand Thirty Five Crores and Eighty Lakhs Only) issued to Tamil Nadu Generation and Distribution Corporation Limited in the Government order third and fourth read above up to the year 2016-2017 (i.e., upto 31.03.2017) so as to mobilize funds up to the tune of Rs.850.50 crore (Rupees Eight fifty crore and fifty lakh only) i.e., unutilized portion of Government Guarantee through bond issue.

5. The orders regarding extension of validity of Government guarantee will be issued in Finance Department separately.

6. This orders issues with the concurrence of the Finance department vide its U.O No.20946/DS(B)/L&A cell/16, dated 23.3.16.

(BY ORDER OF THE GOVERNOR)

N.S.Palaniappan
Additional Chief Secretary to Government.

To

The Chairman and Managing Director,
Tamil Nadu Generation and Distribution Corporation Limited, Chennai – 2.
The Chairman and Managing Director,
Tamil Nadu Power Finance and Infrastructure Development Corporation Limited,
Chennai – 35.
The Accountant General, Chennai -18/9
The Accountant General, Chennai – 18 (By name)

Copy to:

The Finance (BPE/L&A Cell/ PW-II/W&M-1) Department,
Chennai-9
The Chief Minister Office, Chennai-9
The Senior P.A. to Minister (E,P&E), Chennai-9
The Senior P.A. to Minister (Finance), Chennai -9
SF/SC.

//Forwarded/By Order//


UNDER SECRETARY TO GOVERNMENT



ABSTRACT

Government Guarantee -- Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) -- Government Guarantee of Rs.4035.80 crores issued to Tamil Nadu Generation and Distribution Corporation Limited for raising funds through private placement of bonds during 2013-2014 -- Extension of Validity of Government Guarantee up to 2016 -- 17- Orders-- Issued.

FINANCE (LOANS AND ADVANCES CELL) DEPARTMENT

G.O.Ms.No.195.

Dated: 29.06.2016.

~25040

Thunmugai, Aani -- 15.

Thiruvalluvar Aandu -- 2047.

READ:

1. G.O.Ms.No.94, Energy (C2) Department, dated 17.09.2013.
- 2.G.O.Ms.No.378, Finance (L&A Cell) Department, dated 18.09.2013.
- 3.G.O.Ms.No.30, Energy (C2) Department, dated 21.04.2014.
- 4.G.O.Ms.No.178, Finance (L&A Cell) Department, dated 30.06.2014.
- 5.G.O.Ms.No.31, Energy (C2) Department, dated 23.04.2014.
- 6.G.O.Ms.No.103, Finance (L&A Cell) Department, dated 25.04.2014.
- 7.From the Director (Finance), Tamil Nadu Generation and Distribution Corporation Limited, Letter 04068/DFC/RES/A342/2015-1, dated 22.01.2015.
8. G.O.Ms.No.10, Energy (C2) Department, dated 09.03.2015.
- 9.G.O.Ms.No.69, Finance (L&A Cell) Department, dated 16.03.2015.
- 10.From the Director (Finance), Tamil Nadu Generation and Distribution Corporation Limited, Letter 047404/DFC/RES/A34/A342/2015, dated 08.02.2016.
- 11.G.O.Ms.No.42, Energy (C2) Department, dated 31.05.2016.

ORDER:

In the Government Order first and second read above, orders were issued for sanction of unconditional and irrevocable Government Guarantee to

Tamil Nadu Generation and Distribution Corporation Limited for a sum of Rs.4000.00 crores for mobilization of funds through private placement of Bonds for the year 2013-2014. In the Government order third and fourth read above Government have enhanced the Government Guarantee from Rs.4000.00 to Rs.4035.80 crores.

2. In the Government Order fifth and sixth read above, Government has issued orders for extension of validity of the Government Guarantee of Rs.4035.80 crores upto the year 2014-2015.

3. In the letter seventh read above, the Director/ Finance, Tamil Nadu Generation and Distribution Corporation Limited, has stated that based on the Government orders, TANGEDCO has mobilized funds through private placement of bonds in 3 tranches for a sum of Rs.2633.50 crores upto December 2014. Further he has stated that, TANGEDCO has proposed to mobilize funds in 4th tranche, during March 2015 through private placement of bonds for which the mobilization period will extend beyond 31.3.2015, whereas the Government Guarantee expires on 31.3.2015. Therefore, he has requested the Government to extend the validity of Guarantee upto 2015-2016 and issue necessary orders so as to mobilize the balance unutilized Government Guarantee of Rs.1402.30 crores through bond issue.

4. Considering the request of the Director/ Finance, Tamil Nadu Generation and Distribution Corporation Limited, the Government in the reference eighth read above have issued orders extending the validity of Government Guarantee for Rs.4035.80 crores (Rupees Four thousand thirty five crores and eighty lakhs only) to TANGEDCO upto 2015-2016 and to mobilize the funds to the tune of unutilized Government Guarantee of Rs.1402.30 crores (Rupees One thousand four hundred and two crores and thirty lakhs only) through bond issue.

5. In the letter tenth read above, the Director/ Finance, Tamil Nadu Generation and Distribution Corporation Limited, has stated that based on the Government orders, TANGEDCO has mobilized funds through private placement of bonds in 6 tranches for a sum of Rs.3185.30 crores upto January 2016. Further, he has stated that, TANGEDCO have balance available unutilized Government Guarantee of Rs.850.50 crores, for which the Government Guarantee expires on 31.03.2016. Therefore, he has requested the Government to extend the validity of Guarantee for the Financial Year 2016-2017 and issue necessary orders so as to mobilize the balance unutilized Government Guarantee of Rs.850.50 crores through bond issue.

6. Considering the request of the Director/ Finance, Tamil Nadu Generation and Distribution Corporation Limited, the Government in the reference eleventh read above have issued orders extending the validity of Government Guarantee for Rs.4035.80 crores (Rupees Four thousand thirty five crores and eighty lakhs only) to TANGEDCO upto 2016-2017 and so as to mobilize the funds to the tune of unutilized Government Guarantee of Rs. 850.50 crores (Rupees Eight hundred and fifty crores and fifty lakhs only) through bond issue.

7. In exercise of the powers conferred under Article 293(1) of the Constitution of India, the Governor of Tamil Nadu hereby extends the validity of the Government Guarantee for Rs.4035.80 crores (Rupees Four thousand and thirty five crores and eighty lakhs only) up to 2016-2017 to Tamil Nadu Generation and Distribution Corporation Limited so as to mobilize the funds to the tune of unutilized Government



Guarantee of Rs. 850.50 crores (Rupees Eight hundred and fifty crores and fifty lakhs only) through private placement of bonds.

8. Under clause (1) of Article 299 of the Constitution of India, the Governor of Tamil Nadu hereby authorizes the Deputy Secretary to Government, Finance (Budget) Department to execute the agreement as guarantor, on behalf of Government of Tamil Nadu.

9. The Government further direct that a Guarantee Fee of ½ % (half a percent only) per annum be charged from the Tamil Nadu Generation and Distribution Corporation Limited on the outstanding guaranteed amount once in every half year ending September and March and the same shall be remitted into Government account under the following head of account:-

0075. Miscellaneous General Services

00. Miscellaneous General Services

108. Guarantee Fee

AA. Guarantee Fee

(D.P. Code 0075 00 108 AA 0007)

10. The Chief Electrical Inspector to Government shall watch the prompt repayment of principal and payment of interest on the guaranteed amount and also the remittance of Guarantee Fee to Government by the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). The report regarding the repayment of principal/payment of interest and Guarantee Fee shall be sent to the Government in Finance (L & A Cell) Department with a copy marked to Energy Department and also to the Accountant General, Chennai 600018 periodically, every six months, ending September and March in the Consolidated Statement of Guarantees (including outstanding guarantees) so far issued. The Energy Department shall conduct periodical review regarding the repayment of principal and payment of interest and Guarantee Fee by the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO).

(BY ORDER OF THE GOVERNOR)

K.SHANMUGAM
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT

To

The Secretary to Government, Energy Department, Chennai 600009.

The Chairman & Managing Director, Tamil Nadu Generation and Distribution Corporation Limited Chennai 600002.

The Chairperson & Managing Director, Tamil Nadu Power Finance and Infrastructure Development Corporation Limited Chennai-35.

The Chief Electrical Inspector to Government, Guindy, Chennai 600032.

✓ The Director-Finance, Tamil Nadu Generation and Distribution Corporation Limited, Chennai 600002.

The Chief Financial Controller/GL, Tamil Nadu Generation and Distribution Corporation Limited, Chennai 600002.

The Pay Accounts Officer (South), Chennai-35
The Principal Accountant General (G&SSA), Chennai 600018.
The Accountant General (A&E), Chennai 600018.
The Accountant General (E&RSA), Chennai 600018.

Copy to:

The Director, Central Board of Direct Taxes, Ministry of Finance, Government of India, New Delhi 110001.
The Energy (D-2) Department, Chennai 600009.
The Finance (PWD-II / BPE) Department, Chennai 600009.
Stock file / Spare copies.

/ Forwarded by order /

B Venkateswaran
SECTION OFFICER
29/1/16



ICRA

ICRA Limited

CONFIDENTIAL

Ref. No.Surv/Chen/342/16-17

December 29, 2016

Mr. S. Arulsamy
Director (Finance)
Tamil Nadu Generation and Distribution Corporation Limited
Board Office Accounts Branch
N.P.K.R.R. Maaligai, VII Floor
144, Anna Salai
Chennai - 600 002

Dear Sir

**Re: Surveillance of ICRA-assigned Credit Rating to the Rs.4000.0 crore Bond Programme of
Tamil Nadu Generation and Distribution Corporation Limited**

As you would be aware, in terms of the mandate letter received from its clients, ICRA Limited (ICRA) is required to review all its ratings, on an annual basis, or as and when the circumstances so warrant.

The Rating Committee of ICRA, after due consideration of the structured obligation, has reaffirmed the long-term rating of [ICRA]A-(SO) (pronounced as ICRA A minus Structured Obligation) to your bond programme of Rs 3185.3 crore¹. Since TANGEDCO has followed the transaction structure stipulated by ICRA for a further issuance of Rs 100.0 crore, we confirm the "[ICRA]A-(SO)" rating assigned to the Bond Programme, as final.

Out of the Rs.714.7 crore bond programme (out of the total of Rs 4000 crore), rating for Rs 50.5 crore continues to remain Provisional [ICRA]A-(SO) subject to adherence to all the conditions mentioned in our conditional rating communication letter dated (Ref No. RTG/Chen/189/13-14) dated October 21, 2013. The Rating Committee has also withdrawn the rating of Provisional [ICRA]A-(SO) on the balance Rs 664.2 crore as the guarantor (Government of Tamil Nadu) has withdrawn the Guarantee and no borrowing is proposed against the limit.

Instruments with [ICRA]A rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Within this category modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols. The modifiers reflect the comparative standing within the category. The letters SO in parenthesis suffixed to a rating symbol stand for Structured Obligation. An SO rating is specific to the rated issue, its terms, and its structure. SO ratings do not represent ICRA's opinion on the general credit quality of the issuers concerned.

ICRA reserves the right to suspend, withdraw or revise the above rating 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. ICRA shall not be held responsible for non-compliance with any of the stipulated terms and conditions as well as any errors or misrepresentations of facts made by the Entity or the Trustee to the rated bond programme.

Karumuthu Centre, 5th Floor
634, Anna Salai, Nandanam
Chennai - 600035

Tel : +91 - 44 - 45964300
Fax : +91 - 44 - 24343663
CIN : L74999DL1991PLC042749

website : www.icra.in
email : info@icraindia.com

Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel : +91-11-23357940-50 Fax : +91-11-23357014
Corporate Office : Building No. 8, Tower-A, 2nd Floor, DLF Cyber City, Phase II, Gurgaon - 122002 Tel +91-124-4545300 Fax : +91-124-4050424

R A T I N G • R E S E A R C H • I N F O R M A T I O N



ICRA

You are required 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 required 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 re-schedulment or postponement of the repayment programmes of the dues/ debts of the Entity with any lender(s) / investor(s).

For complete rating scale and definitions please refer to ICRA's Website www.icra.in or other ICRA Rating Publications

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

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.

With kind regards,

Yours sincerely,
for ICRA Limited

A handwritten signature in black ink, appearing to read 'K. Ravichandran'.

(K. Ravichandran)
Senior Vice President & Head, Corporate Ratings

A handwritten signature in black ink, appearing to read 'T. Raghunath'.

(Raghunath T)
Assistant Vice President



Fitch Group

Mr. S. Arulsamy,
Director - Finance,
Tamil Nadu Generation and Distribution Corporation Limited,
NPKRR Maaligai,
Electricity Avenue,
144, Anna Salai,
Chennai – 600 002

December 28, 2016

Kind Attn: Mr. S. Arulsamy, Director - Finance

Dear Sir,

**Re: Bonds Ratings for Tamil Nadu Generation and Distribution Corporation Limited
(TANGEDCO)**

India Ratings and Research (Ind-Ra) has assigned Tamil Nadu Generation and Distribution Corporation Limited's (TANGEDCO) INR1 billion bonds (reduced from INR8.147 billion and part of INR40 billion) a final rating of 'IND A(SO)'. The Outlook is Stable.

Bonds:

- INR1 billion bonds (part of INR40 billion bonds): 'IND A(SO)/Stable
- INR7.147 billion bonds (reduced from INR8.147 billion and part of INR40 billion bonds): 'Provisional IND A(SO)/Stable
- INR6.335 billion bonds (part of INR40 billion bond programme): 'IND A(SO)/Stable
- INR10 billion bonds (part of INR40 billion bond programme): 'IND A(SO)/Stable
- INR10 billion bonds (part of INR40 billion bond programme): 'IND A(SO)/Stable
- INR5.018 billion bonds (part of INR40 billion bond programme): 'IND A(SO)/Stable
- INR0.50 billion bonds (part of INR40 billion bond programme): 'IND A(SO)/Stable
- INR43.53 billion bonds: 'IND A(SO)/Stable

Bank Loans:

- INR146.20 billion bank loans: 'IND A(SO)/Stable
- INR14.7805 billion bank loans: 'Provisional IND A(SO)/Stable
- INR19.5395 billion bank loans: 'IND A(SO)/Stable

Working Capital Facilities:

- INR40 billion cash credit working capital facilities: 'IND BBB+/Stable
- INR27.654 billion non-fund-based working capital facilities: 'IND BBB+/Stable
- INR8.35 billion non-fund-based working capital facilities: 'Provisional IND BBB+/Stable

Details of the facilities mentioned in the Annexure

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.

India Ratings & Research Private Limited A Fitch Group Company

Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai 400 051

Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN/LLPIN: U67100MH1995FTC140049 | www.indiaratings.co.in

W

India Ratings
& Research

Fitch Group

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 third-party 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 forward-looking 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 a 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's ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to 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.

India Ratings
& Research

Fitch Group

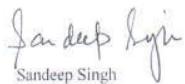
Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

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 +91 22 4000 1700.

Sincerely,

India Ratings



Sandeep Singh
Senior Director



Sudarshan Shreenivas
Director

Corporate Office: Apeejay House, 6th Floor,
3 Dinshaw Wachha Road, Churchgate, Mumbai - 400 020.
Tel : 022-4302 5555 Fax : 022-2204 0465
Email : helpdesk@sbcaptrustee.com



SBICAP Trustee
Company Ltd.

No. 5106/2016-2017/CL-1757
Date: 3rd February, 2017.

Tamilnadu Generation and Distribution Corporation Ltd.
NPKRR MAALIGAI (TNEB Office),
144 Anna Salai,
Chennai - 600002

Attn: Mr. I Arulrani – DFC/Resources

Proposed Issue by Tamilnadu Generation and Distribution Corporation Ltd. (the "Company") of private placement of bonds (the "Bonds") aggregating to Rs. 110.50 Crores (the "Issue").

We the undersigned, 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 the stock exchange(s) or 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 : IND0000000536

We confirm that we are registered with SEBI and that such registration is valid for permanent

Yours faithfully,

Authorised Signatory

Registered Office: 202, Maker Tower E, Cuffe Parade, Mumbai 400 005.
Website : www.sbicaptrustee.com **Corporate Identity Number :** U65991MH2005PLC158386
A wholly owned Subsidiary of SBI Capital Markets Ltd.



Integrated
since 1974
Investments Simplified

February 02, 2017

Mr. K Sundaravahanam
Chief Financial Controller /General
TAMILNADU GENERATION AND DISTRIBUTION
CORPORATION LTD (TANGEDCO)
NPKRR Maaligai
7th Floor, 144 Anna Salai
Chennai - 600 002

Sir,

Sub.: Registrar for Proposed Issue of TANGEDCO Bond Series-3/2016-17

We, Integrated Enterprises (India) Ltd. hereby testify and give our consent to act as Registrars to your proposed Bonds Issue for Rs.110.50 Crores by way of Private Placement and to our name being inserted in the Information Memorandum as Registrar to the Issue, which TANGEDCO Intends to issue. Our SEBI Registration No. is INR000000544.

We also authorise you to deliver a copy of this letter of consent to the Stock Exchange(s) or other regulatory / statutory authority(ies), if any, required.

Thanking You,

Yours faithfully,
For **Integrated Enterprises (India) Ltd.**,


Suresh Babu K
Senior Vice President



INTEGRATED ENTERPRISES (INDIA) LIMITED

CIN No. U65993TN1987PLC014964

2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017.
+91 44 28140801 - 803 +91 44 28142479 corpserv@integratedindia.in www.integratedindia.in
Regd. Office : 5A, 5th Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017.





DCS/COMP/AA/IP-PPDI/840/16-17
February 06, 2017

The Company Secretary
Tamil Nadu Generation and Distribution Corporation Ltd
7th Floor, NPKRR Maaligai,
144, Anna Salai,
Chennai - 600 002

Dear Sir,

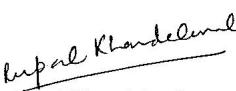
Re: Private Placement of State Government Guaranteed, Unsecured, Rated, Listed, Redeemable, Non Convertible Taxable Bonds of Rs.10,00,000/- each for cash at par aggregating to Rs.110.5 crores by Series-3/2016-17.

We acknowledge receipt of your application on the online portal on February 03, 2017 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing subject to fulfilling the following conditions:

1. Filing of listing application .
2. Payment of fees as may be prescribed from time to time.
3. Compliance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended 2012, and submission of Disclosures and Documents as per Regulations 21, in the format specified in Schedule I of the said Regulations and also Compliance with provisions of Companies Act 2013.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations directions of the Exchange or any statutory authorities, documentary requirements from time to time.

This In Principle Approval is valid for a period of 1 year from the date of issue of this letter. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,


Rupal Khandelwal
Manager


Pranav Singh
Associate Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number: U67120MH2005PLC155188



பாரத ஸ்டெட் பாங்கு
भारतीय स्टेट बैंक
State Bank of India

RM I : Phone : 044-2530 2211/2/3/4 Fax : 044-2534 1316
 RM II : Phone : 044-2530 2221/2/3/4 Fax : 044-2535 7405
 RM III : Phone : 044-2530 2231/2/3/4 Fax : 044-2534 1338

வணிக கிளை, 232, என்.எஸ்.பி.போல் ரோடு, சென்னை-600 001.
வாணியக ஶாலை, 232, நெ.ஸு.ச.போல் ரோடு, சென்னை-600 001.
Commercial Branch, 232, N.S.C.Bose Road, Chennai - 600 001.
ஈக்ஸ் Fax : 044 - 2534 2476 ஈ-மேல் E-mail : sbl.07347@sbi.co.in
SWIFT BIC Code : SBININBB126, IFSC Code : SBIN0007347

RM IV : Phone : 044-2530 2241/2/3/4
 RM V : Phone : 044-2530 2251/2/4

The Chief Financial Controller
TANGEDCO
NPKRR Maligai
144 Anna Salai
CHENNAI 600 002

RM III/147

6.2.17

Dear Sir,

**RAISING FUNDS THROUGH PRIVATE PLACEMENT OF
BONDS TO THE TUNE OF RS.110.50 CR. IN TANGEDCO
BOND SERIES 3/2016-17 – CONSENT LETTER TO ACT
AS COLLECTING BANKER AND ESCROW AGENT**

With reference to your letters No.03445/DFC/RES/A34/A342/2017-5 dated 1.2.17 and No.03445/ DFC/RES/ A34/A342/2017-2 dated 1.2.17, we are agreeable to act as a collecting banker and escrow agent for the proposed issue. Advising the subscribers/ investors to transfer the amount to TRA account No.32909519176 will be done at your end.

Yours faithfully,

AGM & RELATIONSHIP MANAGERIII



3rd February 2017

To

**Thiru K. Sundaravadhanam, B.Sc.,ACA.,ACS.,
Chief Financial Controller/General
Tamil Nadu Generation and Distribution Corporation Ltd
NPKRR Maaligai, 144 Anna Salai,
Chennai – 600 002**

Dear Sir,

**Sub: Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) -
Raising Funds through private placement of Bond to the tune of Rs 110.50
Crs in TANGEDCO Bond Series – 3/2016-17.**

Ref: Letter No.03445/DFC/RES/A34/A342/2017-16, Dated: 1.02.2017

We, the undersigned, hereby consent to act as an Collection Bank to the through private placement of Bond to the tune of Rs 110.50 Crs and to our name and our details being inserted as Collection Bank and Banker to the Issue in the Prospectus proposed to be filed with the relevant authorities.

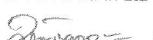
The following details with respect to us may be disclosed:

| | |
|------------------|--|
| Name of the Bank | HDFC Bank Limited |
| Address | HDFC Bank Ltd, 9 th Floor, No. 115, Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004. |
| Tel: | 044-28477282/283/285 |
| Mobile: | (0)9382296817 |
| Fax: | 044-28477250 |
| Email: | mariappan.sivagnanam@hdfcbank.com |
| Contact Person: | Mr. S. Mariappan, Senior Manager |

Please feel free to revert us for any clarifications in this regard.

Yours faithfully,

For HDFC Bank Ltd


S. Mariappan

Senior Manager



Financial Institutions Group and Government Business
HDFC Bank Ltd., No. 115, Dr. Radhakrishnan Salai, 9th Floor, Mylapore, Chennai - 600 004.
Tel : 28477282, 7283, 7284, 7285, 7286, 7287 Fax : 28477281