



(This is a Disclosure Document prepared 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)

**NHPC LIMITED**

(A Government of India Enterprise)

**Regd. Office: NHPC Office Complex, Sector-33, Faridabad-121003 (Haryana)**

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(The Company was incorporated on November 7, 1975 under the Companies Act, 1956 (the “Companies Act”) as a private limited company under the name ‘National Hydroelectric Power Corporation Private Limited’. The word ‘private’ was subsequently deleted on September 18, 1976. Our Company was converted into a public limited company with effect from April 2, 1986. The name of the company was changed to ‘NHPC Limited’ with effect from March 28, 2008.)

**DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF 9.00% SECURED NON-CUMULATIVE NON CONVERTIBLE REDEEMABLE TAXABLE BONDS (P SERIES) IN THE NATURE OF DEBENTURES OF RS. 10 LAKH EACH FOR CASH AT PAR AGGREGATING TO RS 2000 CRORE**

**TRUSTEES FOR THE BONDHOLDERS**

**IDBI Trusteeship Services Ltd.**

**Registered office,**

**Asiad Building,**

**17, R Kamani Marg**

**Mumbai-400 001**

**Tel No: (022) 40807000**

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**REGISTRAR TO THE ISSUE**

**RCMC Share Registry Pvt. Ltd.**

**Corporate Office,**

**Ground Floor, B-106,**

**Sector-2, Noida-201301,UP**

**Tel No: (0120) 4015800**

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This taxable bond issue is being made on a private placement basis. It is not and should not be deemed to constitute an offer to the public in general. It cannot be accepted by any person other than to whom it has been specifically addressed.

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NHPC does not undertake to update this Disclosure Document for Private Placement to reflect subsequent events and thus it should not be relied upon without first confirming the accuracy of such events with NHPC.



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## I .Definition / Abbreviations Issuer Related Terms

<b><u>Term</u></b>	<b><u>Description</u></b>
Articles of Association or Articles	The articles of association of our Company, as amended from time to time
Auditors	The statutory auditors of our Company, M/s. GSA & Associates, Chartered Accountants
Board or Board of Directors	The board of Directors of our Company
Directors	The Directors of our Company
Memorandum of Association or Memorandum	The memorandum of association of our Company, as amended from time to time
Promoter	The President of India, acting through the Ministry of Power, Government of India
Registered Office	The registered office of our Company, which, as at the date of this Prospectus, is located at NHPC Office Complex, Sector - 33, Faridabad 121 003, Haryana, India

## Conventional and General Terms

<b><u>Term</u></b>	<b><u>Description</u></b>
AAR	Authority for Advance Ruling
Act or Companies Act	The Companies Act, 1956
Alstom India	Alstom Projects India Limited
AS	Accounting Standard
ATE	Appellate Tribunal for Electricity
BSE	The Bombay Stock Exchange Limited
CAD	Canadian Dollar
CDSL	Central Depository Services (India) Limited
CEI	Chief Electrical Inspector
CEP	Construction, Equipment and Planning
CHF	Swiss Franc
CIT (A)	Commissioner of Income Tax (Appeals)
CLRA	The Contract Labour (Regulation and Abolition) Act, 1970
Cr.P.C.	Code of Criminal Procedure, 1973
Crore	10 million
CSR	Corporate Social Responsibility
CPMG	Corporate Project Monitoring Group
D.G.	Diesel generator
Depositories	NSDL and CDSL



<b>Term</b>	<b>Description</b>
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DVC	Damodar Valley Corporation
€	Euro
E&M	Electrical and Mechanical
ECS	Electronic clearing service
EGM	Extraordinary general meeting of the shareholders of our Company
EPS	Earnings per share, i.e., profit after tax for a Fiscal year divided by the weighted average number of equity shares during the Fiscal year
FAA	First Appellate Authority
Factories Act	Factories Act, 1948
FBT	Fringe Benefit Tax
FC	Foreign currency
FCNR Account	Foreign Currency Non-Resident Account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FIIIs	Foreign Institutional Investors (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with the SEBI
Financial Year/Fiscal/FY	Period of 12 months ended March 31 of that particular year
FVCI	Foreign Venture Capital Investors (as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time) registered with the SEBI
GDP	Gross Domestic Product
GoI	Government of India
GRA	Grievance Redressal Authority
HCC	Hindustan Construction Company Limited
HP	Himachal Pradesh
HUF	Hindu Undivided Family
IAS	Indian Administrative Service
IDC	Interest during construction
IFRS	International Financial Reporting Standards
IGNOU	Indira Gandhi National Open University
IT&C	Information Technology and Communications
I.T. Act	Income Tax Act, 1961
I.T. Department	Income Tax Department
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority



<b>Term</b>	<b>Description</b>
J&K	Jammu & Kashmir
JDA	Jammu Development Authority
JKSPDC	Jammu & Kashmir State Power Development Corporation Limited
JPY	Japanese Yen
L&T	Larsen & Toubro Limited
LIBOR	London Inter Bank Offering Rate
LIC	Life Insurance Corporation of India
MAT	Minimum Alternate Tax
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MPSEB	Madhya Pradesh State Electricity Board
MPTRADECO	MP Power Trading Company Limited
N.A. or N/A	Not Applicable
NBA	Narmada Bachao Andolan
NEAA	National Environment Appellate Authority
NEFT	National Electronic Fund Transfer
NHPTL	National High Power Test Laboratory Private Limited
Non-Resident or NR	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
NPEX	National Power Exchange Limited
NRE Account	Non-Resident External Account established in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established in accordance with the FEMA
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
O&M	Operation and Maintenance
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAPs	Project-affected persons
PAT	Profit after tax
PIO	Public Information Officer
PMG	Project Monitoring Group
PSEB	Punjab State Electricity Board



<b>Term</b>	<b>Description</b>
PTC	PTC India Limited
QA&I	Quality Assurance and Inspection
R&D	Research and Development
R&R Policy	Our Rehabilitation and Resettlement Policy, 2007, which is based on the National Resettlement and Rehabilitation Policy, 2007 of the GoI.
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, NCT of Delhi and Haryana
RoE	Return on equity
RoNW	Return on net worth
RPC	Regional Power Committee
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
RTI Act	Right to Information Act, 2005
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992
SEK	Swedish Kroner
STT	Securities Transaction Tax
Supreme Court	Supreme Court of India
T&HRD	Training and Human Resource Development
T&RE	Transmission and Rural Electrification
TERI	The Energy and Resources Institute
TCS	Tata Consultancy Services Limited
UNDP	United Nations Development Program
USA or U.S.	United States of America
US\$ or USD or US Dollar	U.S Dollar
VAT	Value Added Tax
w.e.f	With effect from

### Technical and Industry-Related Terms

<b>Term</b>	<b>Description</b>
AAD	Advance Against Depreciation
ABT	Availability Based Tariff
AFC	Annual Fixed Charges
AGL	Above Ground Level
AMSL	Above Mean Sea Level
APGENCO	Andhra Pradesh Generation Company



<b>Term</b>	<b>Description</b>
Bonds	9% Secured Non-Convertible Non Cumulative Taxable Bonds P Series in the nature of Debentures of Rs 10,00,000/- each offered through private placement route under the terms of Disclosure Document
Bondholder / Debenture holder	The holder of bonds
BRRP/BREW	Bihar Rural Road Projects/Bihar Rural Electrification Works
CCEA	Cabinet Committee on Economic Affairs
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CER	Certified Emission Reduction
CERC	Central Electricity Regulatory Commission
CPSU	Central Public Sector Undertaking
CWC	Central Water Commission
Design energy	The quantum of energy which could be generated in a 90% dependable year with 95% installed capacity of the generating station
Deemed Date of Allotment	Date as specified in summary Term Sheet
DER	Debt Equity Ratio
Disclosure Document	Disclosure Document dated 2010 for Private Placement of 9% Secured Non-Convertible Non Cumulative Taxable Bonds P Series in the nature of Debentures of Rs 10,00,000/- each for cash at par aggregating to Rs 2000 crores
DPE	Department of Public Enterprises
DPR	Detailed Project Report
DRR	Debenture Redemption Reserve
EIA	Environmental Impact Assessment
Electricity Supply Act	Electricity (Supply) Act, 1948
EMP	Environment Management Plan
EOT	Electric Overhead Travelling
EPA	Environment (Protection) Act, 1986
EPS	Earning per share
ERC	Electricity Regulatory Commission
ERC Act	Electricity Regulatory Commission Act, 1998
ERP	Enterprise Resource Planning
FCA	Forest (Conservation) Act, 1980
GIS	Geographic Information System
HR	Human resources
IPP	Independent Power Producer
ITSL/Trustee	IDBI Trusteeship Services Ltd.
Issuer/NHPC/Corporation /Company	NHPC Ltd.
KW	Kilo Watt



<b>Term</b>	<b>Description</b>
KWh	Kilo Watt Hour
Land Acquisition Act	Land Acquisition Act, 1894
LC	Letter of credit
MAHAGENCO	Maharashtra Generation Company
MoEF	Ministry of Environment and Forest, Government of India
MU	Million Units
MW	Mega Watt
NAPAF	Normative Annual Plant Availability Factor
NBWL	National Board for Wildlife
NPV	Net present value
One Time Settlement	Scheme for One Time Settlement of outstanding dues
PFC	Power Finance Corporation Limited
PGCIL	Power Grid Corporation of India Limited
PIB	Public Investment Board
PPA	Power Purchase Agreement
REC	Rural Electrification Corporation Limited
RES	Renewal Energy Sources, which includes small hydro, wind and biomass
Registrar	Registrar to the issue, in this case
RoR	Run-of-the-river
SCADA	Supervisor Control and Data Acquisition
SEB(s)	State Electricity Board(s) and their successor(s), if any, including those formed pursuant to restructuring/unbundling
Self Adjusting Formula	The capacity charge equal to the AFC minus the primary energy charge, which is equal to the product of saleable primary energy (in MU) multiplied by the prime energy rate
SERC	State Electricity Regulatory Commission
STU	State Transmission Utility
Tailrace discharge	The discharge of water coming out of the machine after generation of electricity
TEC	Techno Economic Clearance
TEA	Techno Economic Appraisal
The issue/The offer/Private Placement	Private Placement of 9% Secured Non-Convertible Non Cumulative Taxable Bonds (P Series) in the nature of Debentures of Rs 10,00,000/- each for cash at par aggregating to Rs 2000 crores
THDC	Tehri Hydro Development Corporation Limited
Tripartite Agreements	Tripartite Agreements executed among the GoI, RBI and the respective State governments
Unit	1 KWh, i.e. the energy contained in a current of one thousand amperes flowing under an electromotive force of one volt during one hour
VSAT	Very Small Aperture Terminal (based satellite)





## **II DISCLAIMER**

### **GENERAL DISCLAIMER**

The 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 & Listing of Debt Securities) Regulations, 2008 issued vide Circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008. This document does not constitute an offer to the public generally or subscribe for or otherwise acquire the bonds to be issued by NHPC Ltd. (the “issuer”/the NHPC/ “the company”) The document is for the exclusive use of institutions to whom it is delivered and it should not be circulated or distributed to the third parties. The Company certifies that the disclosures made in this document are generally adequate and are in conformity with the captioned SEBI Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.



### III. NAME AND ADDRESS OF REGISTERED OFFICE OF THE ISSUER

Name of the issuer	NHPC Limited
Registered office	NHPC Office Complex Sector - 33, Faridabad 121 003 Haryana, India
Telephone Number	+91 129 227 8421
Fax Number	+91 129 227 7941
Website	<a href="http://www.nhpcindia.com">www.nhpcindia.com</a>
E-mail	companysecretary@nhpc.nic.in

### IV. NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER

The composition of Board of directors of the company as on date of this Disclosure Document is as under:

	Name	Designation	Address
1.	Mr. S.K. Garg	Chairman And Managing Director	K-17/4, DLF City Phase II, Gurgaon 122 002, Haryana, India
2.	Mr. A.B.L. Srivastava	Director (Finance)	C - 301, Stellar Park, C - 58/24, Sector -62, Gautam Budha Nagar, Noida 201 306, Uttar Pradesh, India
3.	Mr. D.P. Bhargava	Director (Technical)	House No. 176, Sector 30, Faridabad, Haryana 121 003, India
4.	Mr. J.K. Sharma	Director (Projects)	House No. 915, Sector 28, Faridabad, Haryana 121 008, India
5.	Mr. R.S. Mina	Director (Personnel)	6081/1, Sector D-6, Vasant Kunj, New Delhi 110 070, India
6.	Mr. Rakesh Jain	Government Nominee Director	D-2/62, Kaka Nagar, New Delhi - 11003
7.	Mr. Sudhir Kumar	Government Nominee Director	Type-VI/41, Railway Officers Enclave, San. Martin Marg, Chanakyapuri, New Delhi 110021
8.	Ms. Komal Anand	Independent Director	16, Nizamuddin East, IInd Floor, New Delhi 110 003, India
9.	Mr. Arun Kumar	Independent Director	E - 7, Nizamuddin West,



	Name	Designation	Address
	Mago		New Delhi 110 013, India
10.	Mr. Raman Sidhu	Independent Director	606-B, The Aralias, Golf Club Road, DLF Phase V, Gurgaon, Haryana, India
11.	Mr. R. Jeyaseelan	Independent Director	5, Senior Doctor's Residence, Holy Family Hospital, Okhla Road, New Delhi 110 025, India
12.	Dr. Kuriakose Mamkoottam	Independent Director	101, Sakshara Apartments, A3 Paschim Vihar, New Delhi 110 063, India
13.	Mr. K. Dharmarajan	Independent Director	A-3, Sarvodaya Enclave, Sri Aurobindo Marg, New Delhi 110 017, India
14.	Mr. A. Gopalakrishnan	Independent Director	Anant Nivas, Subramania Nagar, Thekkumgopuram, Kottayam, Kerala, India 686001

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

We are a hydroelectric power generating Mini-Ratna company dedicated to the planning, development and implementation of an integrated and efficient network of hydroelectric projects in India. We execute all aspects of the development of hydroelectric projects, from concept to commissioning.

We have developed and constructed 13 hydroelectric power stations and our current total installed capacity is 5,175 MW. Our current total generating capacity is 5,134.2 MW, which takes into account a downgrade of the capacity ratings of the Loktak and Tanakpur power stations by the CEA. This total installed capacity and total generating capacity includes two power stations with a combined capacity of 1,520 MW, constructed and operated through our Subsidiary, NHDC. Our power stations and hydroelectric projects are located predominantly in the North and North East of India, in the states of Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Arunachal Pradesh, Assam, Manipur, Sikkim and West Bengal. Our Company and our Subsidiary generated 16,689.59 MUs and 2,368.45 MUs of electricity, respectively, in Fiscal 2009. In Fiscal 2009, our Company and our Subsidiary sold 14,587.88 MUs and 2,345.01 MUs of electricity, respectively.

We are presently engaged in the construction of 11 additional hydroelectric projects, which are expected to increase our total installed capacity by 4,622 MW. We are awaiting government sanction for a further seven projects with an anticipated capacity of 6,315 MW. In addition, we



are awaiting government sanction for certain joint venture projects with an anticipated capacity of 3,666 MW. Survey and investigation works are being carried out to prepare project proposal reports for seven additional projects, totaling 5,755 MW of anticipated capacity.

We selectively form alliances with state governments to undertake project development. Pursuant to MoU with the government of Madhya Pradesh, we incorporated our Subsidiary on August 1, 2000 to take advantage of the hydroelectric potential of the Narmada river basin. In addition, in September 2007 we signed an MoU with the government of Manipur to establish a joint venture to develop the Loktak Downstream hydroelectric project, and in June 2007 we entered into an MoA with the government of Arunachal Pradesh to implement the Dibang project on an own-and-operate basis. Further, on October 10, 2008 we signed an MoU with the JKSPDC, the government of Jammu & Kashmir and PTC to implement the Pakal Dul and other hydroelectric projects in the Chenab river basin with an anticipated aggregate installed capacity of approximately 2,100 MW. In addition MOP vide letter dated 06.07.2009 informed that Tapaimukh H.E (1500 MW) in Manipur shall be executed through JVC among NHPC Ltd., SJVNL & Govt. Of Manipur (GoM). Formal consent of GoM in this regard is awaited for formation of JVC.

We have experience in the design, development, construction and operation of hydroelectric projects. We execute and manage all aspects of projects, from front-end engineering design to commissioning and operation and maintenance of the project. We have also been engaged as a project developer for certain projects, where our scope of work is to design, develop and deliver a hydroelectric power station to a client on an agency basis. We also provide contract-based technical, management advisory and consultancy services to domestic and international clients.

Based on our audited financial statements, in Fiscals 2007, 2008 and 2009, we generated total income of Rs. 2,187.50 crore, Rs. 2,687.94 crore and Rs. 3,261.49 crore, respectively, and net profit of Rs.924.80 crore, Rs. 1,004.09 crore and Rs. 1,075.22 crore, respectively. In Fiscal 2009, our average selling price of electricity was Rs. 1.83 per unit. In Fiscal 2009, we derived Rs. 2,671.85 crore or 81.92% of our audited total income from the sale of energy to SEBs and their successor entities, pursuant to long term power purchase agreements.

Our operational efficiency has been reflected through high average capacity indices for our power stations, which are now currently measured by the Plant Availability Factor (PAF). The average capacity indices for our Company for Fiscals 2007, 2008 and 2009 were 94.13%, 96.12% and 93.61% respectively. These indices are higher than the cumulative capacity index levels, which are required under CERC regulations and our higher efficiency parameters, which pursuant to the tariff policy in place for Fiscal 2005-Fiscal 2009 entitled us to certain incentive payments.

We have obtained BS OHSAS 18001:2007, ISO 9001:2000, ISO 14001:2004 and PAS 99: 2006 certifications from the BSI Management Systems, all of which are valid until July 25, 2011. In recognition of our performance and our consistent achievement of targets as negotiated under the MoUs that we enter into with the GoI on an annual basis, the GoI has rated our performance as “Excellent” from Fiscal 1995 through to Fiscal 2006, “Very Good” in Fiscal 2007 and “Excellent” in Fiscal 2008. Also, in recognition of our performance, we were designated as a



Mini-Ratna Category-I public sector undertaking in April 2008. As a Mini-Ratna Category-I entity, we will have greater autonomy to undertake new projects without GoI approval, subject to an investment ceiling of Rs. 500 crore set by the GoI.

The President of India, and its nominees, before Initial Public Offer holds 100% of the issued and paid-up Equity Share capital of our Company. After the Issue, the President of India still hold 86.36% of the post-Issue paid-up Equity Share capital of our Company. Under our Articles of Association, the GoI has the power to appoint all of our Directors.

### **Our Competitive Strengths**

We believe that the following are our primary competitive strengths:

#### **Established track record in implementing hydroelectric projects**

We have experience in the development and execution of hydroelectric projects. We have managed the development and implementation of 13 hydroelectric projects, including two through our Subsidiary, NHDC. We have completed projects that are located in the geotechnically sensitive Himalayan terrain and in inhospitable areas that are often difficult to access. We completed the Chamera-II and Dhauliganga-I power stations and the Indira Sagar and Omkareshwar projects ahead of schedule. We have worked with the GoI, various state governments, foreign governments and international companies to complete projects. We believe our proven execution capability is a key advantage for securing projects. We also believe that our execution model for projects benefits from our cost control and risk management expertise and that our experience and expertise in project implementation provide us with significant competitive advantages.

#### **Long term power purchase agreements with our customers**

As of March 31, 2009, most of the output from our installed capacity was contracted for through long term PPAs. At the time we make investment decisions on new capacity or expansion of existing capacity, we typically have commitments for the purchase of the output.

In Fiscal 2009, we derived Rs. 3,436.22 crore or 84.81% of our restated consolidated total income from the sale of energy to SEBs and their successor entities, pursuant to long term power purchase agreements. These billings to state entities are currently secured through letters of credit generally entered into pursuant to tripartite agreements among the GoI, the RBI and respective state governments. In addition, we can secure payment by regulating the power supply to the defaulting entity or recovering payments directly from GoI Central Plan assistance funds that are given to the concerned state governments.

#### **Strong operating performance**

We measure our efficiency by reference to our average capacity index (till 2008-09)/ Plant Availability Factor (2009 onwards) and generation targets achieved. In Fiscal 2009, our



Company generated a total of 16,689.59 MUs of electricity and our Company's cumulative capacity index was 93.61%, which is higher than the cumulative capacity index levels required under CERC regulations and our higher efficiency parameters, which pursuant to the tariff policy in place for Fiscal 2005-Fiscal 2009, entitled us to certain incentive payments. We monitor, renovate and modernise our power stations, which increases the efficiency of our plants and equipment. We believe that our ongoing monitoring and maintenance techniques offer us a competitive advantage in an industry where reliability and maintenance costs are a significant determinant of profitability.

### **Competent and committed workforce**

We have a competent and committed workforce. Our senior executives have experience in our industry and many of them have been with us for a significant portion of their careers. We believe that the skill, industry knowledge and operating experience of our senior executives provide us with a competitive advantage as we seek to expand in our existing markets and successfully enter new geographic areas. We invest significant resources in employee training and development and our uniform operational systems, processes and staff training procedures enable us to replicate our operating standards across all our projects and stations.

### **Strong in-house design and engineering team**

We have an in-house team for project design and our engineering capabilities range from the concept stage to the commissioning of our projects. This team is supported by international and domestic project consultants. As of August 17, 2009, our Company had approximately 1,203 in-house engineers with expertise in a range of engineering disciplines, particularly hydrology, electrical, civil and structural design, hydro-mechanical and geotechnical design. Our engineers have specialised tunnel design experience and are able to design for variable and unpredictable geological conditions. Our engineers also have experience with a variety of specialised analysis, design and computer aided design software applications.

### **Our Strategy**

Our corporate vision is to become a world class, diversified and transnational organisation dedicated to sustainable development of hydropower and water resources with an environmental conscience. The following are our strategies to achieve this vision:

### **Expand our installed capacity through Joint Ventures and MoUs**

We seek to expand our installed capacity by tapping into new geographic markets where there is significant demand for capacity expansion through hydroelectric generation. Presently we are engaged in the construction of 11 hydroelectric projects in the states of Jammu & Kashmir, Himachal Pradesh, Arunachal Pradesh, Assam and West Bengal, which is expected to increase our total installed capacity by 4,622 MW. We are awaiting government sanction for a further seven projects with an anticipated capacity of 6,315 MW. In addition, we are awaiting



government sanction for certain joint venture projects with an anticipated capacity of 3,666 MW. Survey and investigation works are being carried out to prepare project proposal reports for seven additional projects, totaling 5,755 MW of anticipated capacity.

### **Promote and develop our consulting and advisory services**

We aim to continue to deliver advisory services to clients and government entities in India and abroad. Our consultancy services are registered with the World Bank, the Asian Development Bank, the African Development Bank, the Kuwait Fund for Arab Economic Development and the Central Water Commission.

### **Continue to expand our international activities**

We intend to continue to expand our international operations and further exploit the potential hydropower opportunities available internationally by leveraging our existing relationships developed through our past international consultancy assignments.

### **Maintain our focus in environmental and corporate social responsibility**

We have undertaken a number of environmental and corporate social responsibility initiatives and intend to expand our involvement in these areas. We aim to conduct our business operations in a manner that promotes social responsibility, sustainable development and respect towards the environment.

### **Invest in technology to modernise our operations and improve our project operating performance**

We intend to reduce our operating costs and improve our project-operating performance by investing in technologically advanced equipment and methods and by devoting resources to modernize our power stations.

### **Our Operations by Segment**

Our core business is the generation and sale of hydroelectricity. We also provide contract-based services including technical, management advisory and consultancy services as well as project execution on contract basis. The table below shows our total restated consolidated income by business segment:

#### **Total income by business segment (Standalone)**

(Rs. in crore)

Power Station	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Sales (Net)	2671.85	2243.73	1754.12	1614.11
Revenue from Contracts, Project Management and	48.97	39.19	128.81	48.81



Power Station	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Consultancy Works				
Interest on Power Bonds and Long Term Advances	206.90	224.53	234.09	249.47
Other Income	333.77	180.49	70.48	61.27
Total	3261.49	2687.94	2187.50	1973.66

### **Our Hydropower Generation Business**

Our core business operations involve the generation and sale of hydroelectricity. Our projects are spread across different stages of development from the early stages of survey and investigation to operation and maintenance.

### **Our Project Development Process**

The GoI and the state government identify the geographic areas where additional electricity is needed by determining existing and projected installed capacity and projected demand for electricity. Factors such as economic growth, population growth and industrial expansion are used to determine projected demand. To gauge the expected supply of electricity, the capacities of the existing power stations and the projects under construction or development are studied. If the GoI and the respective state government agree that a hydroelectric project is necessary and that we are the most appropriate organization to develop the hydroelectric project, we then enter into an MoU or agreement with the concerned state government where the hydroelectric project is proposed to be located. We then begin the process of obtaining the necessary authorisations for the hydroelectric project from the concerned authorities. We are required to fulfill a three-stage clearance process for hydroelectric projects as introduced by the GoI in June 2001. This process consists of:

#### **Stage-I: Preparation of Pre-Feasibility Report/Feasibility Report**

The Stage-I estimate is initially reviewed by the CEA and approved by the MoP. Environmental clearance for the pre-construction activities and approval of the terms of reference for undertaking the EIA studies is then obtained from the MoEF. Survey and investigation activities are subsequently carried out in order to prepare a pre-feasibility report, which sets out essential geological, hydrological, meteorological and topographical observations. The report contains technical details, justification of the scheme and preliminary financial details of the project. The CEA then reviews the report and makes a determination about the commercial viability of the project.

#### **Stage-II: Preparation of Detailed Project Report and Infrastructure Development Works**

Following the approval of the Stage-I estimate by the MoP and the commercial viability clearance from the CEA we carry out extensive survey and investigation works in order to prepare a DPR. The DPR is examined in detail by various agencies, including the Geological Survey of India, the Central Water Commission, the Ministry of Water Resources and the





Ministry of Defense. During this stage EIA reports are also prepared and submitted to the requisite state government to enable them to conduct a public hearing and consult with local communities to negotiate a suitable rehabilitation and resettlement package, if required. At this stage the environmental impact report and forest land requirement report are also submitted to the MoEF for clearance. The CEA reviews the DPR and the various clearances obtained from the abovementioned agencies and, if satisfied, the CEA concurrence is granted to the hydroelectric project.

#### Stage-III: Final sanction and project construction

Post the CEA approval, and after obtaining a recommendation from the PIB, GoI, the hydroelectric project proposal is presented to the CCEA for its final sanction. It is only after receiving the sanction of the CCEA that major works related to construction of the project are awarded and construction can begin at the project site.

#### Completed Projects

We have set forth below the details of all our completed projects, including joint venture project:  
(Rs. in crore)

Power Station	State	Installed Capacity (MW)	Year of Commissioning	Revenue Generated in Fiscal 2009 (Rs. In crore)
Baira Siul	Himachal Pradesh	180	1981	62.26
Loktak	Manipur	105(1)	1983	52.48
Salal	Jammu & Kashmir	690	1987/1996	221.41
Tanakpur	Uttarakhand	120(2)	1992	51.98
Chamera I	Himachal Pradesh	540	1994	318.43
Uri I	Jammu & Kashmir	480	1997	399.18
Rangit	Sikkim	60	1999	53.82
Chamera II	Himachal Pradesh	300	2004	319.62
Dhauliganga I	Uttarakhand	280	2005	225.31
Dulhasti	Jammu & Kashmir	390	2007	700.59
Teesta V	Sikkim	510	2008	283.78
<b>Total</b>		<b>3,655</b>		<b>2,688.86</b>
<b>Completed Projects with NHDC</b>				
Indira Sagar	Madhya Pradesh	1,000	2005	486.92
Omkareshwar	Madhya Pradesh	520	2007	269.00
<b>Total</b>		<b>1,520</b>		<b>755.92</b>

Note: (1) Derating of the Loktak Power Station from 105 MW to 90 MW vide CEA letter no. CEA/PLG/DM/545(derating)/Loktak/2008/102-144 dated 03/07/2008 (temporary derating of unit #1 upto 31/12/2008, unit #2 upto 31/03/2009 and Unit#3 upto 30/11/2009) . NHPC has requested for further extension of derating period (Unit #1 upto 15.09.2009, Unit # 2 upto 15.04.2010 and Unit#3 upto 15.09.2010.)



(2) Derating of 94.2 MW from September 1996 vide CEA letter no. DMLF/PS/9/7/96-Vol IV/3530-85

### Projects under construction

We have set forth below the details of all our hydroelectric projects, which are currently under construction:

Hydroelectric Projects	State	Proposed Installed Capacity (MW)	Project Cost-CCEA approved (Rs. in crore)
Sewa II	Jammu & Kashmir	120	665.46
Teesta Low Dam III	West Bengal	132	768.92
Uri II	Jammu & Kashmir	240	1,724.79
Chamera III	Himachal Pradesh	231	1,405.63
Teesta Low Dam IV	West Bengal	160	1,061.38
Nimoo Bazgo	Jammu & Kashmir	45	611.01
Parbati III	Himachal Pradesh	520	2,304.56
Parbati II	Himachal Pradesh	800	3,919.59
Chutak	Jammu & Kashmir	44	621.26
Subansiri Lower	Assam/Arunachal Pradesh	2,000	6,285.33
Kishanganga	Jammu & Kashmir	330	3,642.04
<b>Total</b>		<b>4,622</b>	<b>23,009.97</b>

### Projects Awaiting Clearances

The hydroelectric projects including our joint venture projects detailed below are awaiting final sanction from the CCEA:

Projects	State	Proposed Installed Capacity (MW)
Kotli Bhel Stage IA(1)	Uttarakhand	195
Kotli Bhel Stage IB(1)	Uttarakhand	320
Kotli Bhel Stage II(1)	Uttarakhand	530
Dibang(2)	Arunachal Pradesh	3,000
Teesta IV	Sikkim	520
Tawang I	Arunachal Pradesh	750
Tawang II	Arunachal Pradesh	1,000
<b>Total</b>		<b>6,315</b>
Joint Venture Projects		
Loktak Downstream	Manipur	66
Pakal Dul and other	Jammu & Kashmir	2,100



hydroelectric projects in the Chenab River Basin(3)		
Tapaimukh	Manipur	1,500
<b>Total</b>		<b>3,666</b>
<b>Grand Total</b>		<b>9,981</b>

- (1) Our Company is required to obtain forest clearance from MoEF.
- (2) Our Company is required to obtain forest clearance from MoEF and the State Pollution Control Board after proper public hearing.
- (3) These projects require approval from the Supreme Court as they are located in the Kishtwar High Altitude National Park.

#### Projects under Survey and Investigation

The following hydroelectric projects are under survey and investigation for preparation of a DPR:

Project	State	Proposed Capacity (MW)	Installed Capacity (MW)
Karmoli Lumti Tulli	Uttarakhand	55	
Garba Tawaghat	Uttarakhand	630	
Chungar Chal	Uttarakhand	240	
Lachen	Sikkim	210	
Subansiri (Middle)	Arunachal Pradesh	1,600	
Subansiri (Upper)	Arunachal Pradesh	2,000	
Bursar	Jammu & Kashmir	1,020	
<b>Total</b>		<b>5,755</b>	

The following are the details of the various projects undertaken by way of joint ventures:

Projects	State	Capacity (MW)	Our stake in Joint Venture	Status
Indira Sagar	Madhya Pradesh	1,000	51%	Commissioned in 2005
Omkareshwar	Madhya Pradesh	520	51%	Commissioned in 2007
Loktak Downstream	Manipur	66	74%	JVC registered on 23.10.2009. Awaiting environmental clearances.
Pakal Dul and other Hydroelectric projects in the Chenab River Basin	Jammu & Kashmir	2,100	49%	Awaiting clearances
Tapaimukh	Manipur	1,500	69%	Awaiting clearances



### **Contracts, Project Management and Consultancy Works Business**

We believe that our industry leadership as well as quality credentials puts us in a strong position to offer a wide range of consultancy services in the field of hydropower. Our consultancy services division was set up in 1993 to offer consulting and contractual services to meet requirements for different project types.

Our consultancy are services registered with the World Bank, the Asian Development Bank, the African Development Bank, the Kuwait Fund for Arab Economic Development and the Central Water Commission and Consultancy Development Centre.

Our clients include central and state government agencies in India including SEBs and PSUs, as well as a number of foreign governments and private sector entities. From a marketing perspective, consultancy contracts also allow us to establish a relationship with potential future clients and, in the case of project feasibility studies, to become involved at an early stage in turnkey projects for which we may later submit bids.

### **Consulting/Advisory Services for Hydropower Projects**

The scope of our consulting and advisory services is to provide assistance in planning, design and engineering, survey and analysis, report writing and other affiliated services corresponding to our client's specific needs.

We also provide specialist consultancy services in relation to tidal, wind and geothermal power projects, training and human resource operations, and IT and communications.

We have completed 77 consulting assignments and as at November 30, 2009 we have 17 ongoing consulting assignments.

### **Turnkey Agency Contracts**

We have undertaken certain international agency contracts under the direction of GoI. These projects are undertaken in the spirit of cooperation with foreign governments and also to broaden our international experience. The status of various turnkey agency projects undertaken by our consultancy services division is set out below:

Project	Country/State/Union Territory	Installed/Proposed Total Capacity (MW)	Status
Devighat	Nepal	14.10	Commissioned
Kurichhu	Bhutan	60.00	Commissioned
Kalpong	India (Andaman & Nicobar Islands)	5.25	Commissioned
Sippi	India (Arunachal Pradesh)	4.00	Commissioned
Kambang	India (Arunachal Pradesh)	6.00	Commissioned
Total		89.35	



Further, we commissioned and handed over the Sippi Small Hydroelectric turnkey agency project to the Department of Hydropower Development of the government of Arunachal Pradesh on August 23, 2008.

### Specialized Government Agency Works

We act as an agency for the implementation of rural road development and rural electrification programs in India. These projects are usually undertaken on the request of the GoI for social welfare and development purposes. We earn fixed agency fees from these projects, as determined mutually by GoI and our Company.

Specialized government agency works we undertake include:

Client	Services Rendered
REC Limited	We implement rural electrification works under the Rajiv Gandhi Grameen Viduyutikaran Yojna in various states in India for fixed agency fees of 9-12% on the cost of the project. We have been allocated 27 districts in five states. As of November 30, 2009. 33 projects, costing Rs. 2,407 crore have been sanctioned; We have electrified approximately 3,851 unelectrified and de-electrified villages and approximately 4,444 partially electrified villages. Further, we provided approximately 6,21,268 connections to families below the poverty line.
Ministry of Rural Development, GoI	We undertake the construction of rural roads in six districts of Bihar under the Pradhan Mantri Gram Sadak Yojna, for fixed agency fees of 10% on the cost of the project. As of November 30, 2009:  832 roads of 3,517 km with a cost of Rs. 1,921 crore have been cleared by Ministry of Rural Development, GoI; and 164 roads of 929.34 km (full length) with a cost of Rs. 402.78 crore have been completed

### Construction of Hydropower Projects

#### Design and engineering

The engineering and design of a hydroelectric project requires input from a number of specialist engineering disciplines, particularly, civil and hydro-mechanical design, geological and geotechnical and electrical and mechanical design.

#### Civil and hydromechanical design

This aspect of the project includes:

Developing detailed site plans, including the civil works layouts.



Reviewing hydrological data available and supervising field investigations and hydrological studies.

Assessing the impact of soil erosion and sediment on the proposed hydroelectric projects.

### **Geological and geotechnical engineering**

The geotechnical engineering process involves the collection of sufficient qualitative and quantitative geological, geotechnical and construction material information to determine basic design parameters for the major civil structures of the project.

### **Electrical and mechanical design**

This involves assessing the electrical and mechanical needs of the project and includes:

Evolving optimised designs for electromechanical works of projects under planning and execution.

Providing technical data and cost estimates on electrical and mechanical equipment.

Preparing operation and maintenance manuals for electromechanical works.

### **Contract and construction management**

Our role as contract and construction manager is to organise and supervise the construction of the project. We determine the number of contracts that are awarded per project after reviewing the size and capacity of the project. In general, one or two contracts for civil works, one contract for the hydromechanical components and one contract for the electromechanical components of each project are awarded.

### **Operation and maintenance**

Once the power station is commissioned and becomes fully operational the operation and maintenance division is responsible for the orderly running of the project. This division maintains a database of generation parameters for statistical review and analysis that can be used to optimise generation along with reducing downtime of equipment. This division also analyses data to forecast problems and advises on remedial measures.

### **Automation of stations**

Presently, the operations of all the power stations are either semi or fully automated. Our Uri, Chamera II, Dhauliganga and Dulhasti power stations are equipped with advanced distributed control systems along with SCADA systems. We are presently implementing SCADA in the Baira Siul, Loktak, Tanakpur, Rangit and Chamera I power stations. SCADA allows for better monitoring and control of the power station.

### **Sale of Energy**

### **Tariffs**



Tariffs for each of our hydropower stations are determined by the CERC. A new tariff policy was issued by CERC pursuant to notification no. L-7/145(160)/2008-CERC dated January 19, 2009, and relates to the period from April 1, 2009 to March 31, 2014.

Tariffs are determined by reference to AFC, which comprise primary energy charges and capacity charges and is determined by return on equity, depreciation, interest on loan, interest on working capital and operation and maintenance expenses. Recovery of capacity charges is dependent on the actual utilisation of our machines for generating power. Capacity is determined by reference to the NAPAF, which has been prescribed for each project based on the nature of the project.

We are entitled to receive incentives for achieving a plant availability factor greater than NAPAF as well as for generating energy in excess of the design energy level of the plant. This contrasts with the tariff system in place for Fiscal 2005 to Fiscal 2009 in which additional energy charges were recovered when prescribed capacity levels were exceeded.

### **Power Purchase Agreements**

The GoI allocates the output of each of our stations among the station's customers. Each of our power stations has PPAs with its customers. In Fiscal 2009, we derived Rs. 3,436.22 crore or 84.81% of our restated consolidated total income from the sale of energy to SEBs and their successor entities, pursuant to long-term power purchase agreements. Under the terms of the PPAs, we are obliged to supply electricity to SEBs or their successor entities, private distribution companies and other GoI entities in accordance with the terms of the allocation letters issued by the GoI from time to time as required by the tariff policy issued from MoP. The PPA is valid until it is extended, renewed or replaced by another agreement on such terms and for such further period of time as the parties agree.

The MoUs signed with respective state governments pursuant to the PPAs require us to provide 12.0% of the energy that we generate to the respective state or its utilities or electricity boards, termed as 'bulk power customers', free of cost. We are not permitted to offer this contracted capacity to any third person for the duration of such MoUs.

The term of the PPA is generally for five years from the date of the commercial operation of the last unit of the project, provided that such PPAs may be renewed or replaced on such terms and for such further time as the parties may agree. However, the provisions of a PPA continue to operate until such PPA is formally renewed or replaced.

The tariffs we charge and the conditions for the supply of energy, as well as the surcharge levy and rebates are determined according to the tariff notifications issued by the CERC or policies of GoI from time to time. Further, settlement of any disputed current dues is determined according to the directives of the CERC or the GoI as issued from time to time.

The parties to a PPA are not liable for any claim for loss or damage arising out of failure to carry out the terms of such PPA to the extent that such failure is due to events such as riot, strike, lock out, fire, explosion, flood, drought, earthquake, war or other forces, accidents or force majeure



events. Any party claiming the benefits of this provision holds the burden of proving that the event occurred and damage was suffered.

All questions or disputes between parties in connection with a PPA, except the extent of power vested with the respective RPC, are settled through arbitration in accordance with the provisions contained in the Electricity Act, 2003 and the Arbitration and Conciliation Act, 1996 and any statutory modifications thereto, in the event such differences cannot be settled through conciliation prior to arbitration.

### **Recoveries through the One-Time Settlement Scheme (“One Time Settlement”)**

NHPC has previously had problems recovering payments from SEBs and other state government entities; however, in 2001, the MoP, and the state entities established a scheme of One Time Settlement. Pursuant to the One Time Settlement, the GoI, on behalf of the central sector power utilities, executed Tripartite Agreements with the RBI and the state governments to effectuate a settlement of overdue payments, by way of tax-free power bonds, owed to NHPC by the SEBs or their successor entities or other state government entities with provisions for incentives for future timely payment.

Under these agreements, the overdue amounts outstanding as of September 30, 2001 were securitised by the issue of tax-free power bonds and long term advances amounting to Rs. 2,818.04 crore against outstanding principal dues, late payment surcharge, and conversion of bonds issued by the SEBs after March 1, 1998. Tax free interest on the power bonds and long-term advances are payable to NHPC at a rate of 8.5% p.a. These bonds mature and the long-term advances are payable in various stages, starting from October 1, 2006 until April 1, 2016.

### **Research and Development**

Research and development is key to our continued success in engineering and construction. Our research and development activities are focused on anticipating our future needs and those of our agency clients and making us more competitive. We also seek to implement the latest technological advances and developments at our project sites. Our research and development activities are concentrated primarily on studies for elongation of operating life of underwater components, such as turbines, by mitigating silt erosion.

### **Clean Development Mechanism**

We are in the process of securing benefits from our hydropower projects under the clean development mechanism (“CDM”) scheme pursuant to the United Nations Framework Convention on Climate Change of 1994. Under this scheme, an industrialised country that wishes to get credits from a CDM project must obtain the consent of the developing country hosting the project to claim such credit and confirm that the project will contribute to sustainable development. Then, using methodologies approved by the CDM Executive Board, the applicant must make the case that the carbon project would not have happened absent such benefits, and must establish a baseline estimating the future emissions in the absence of the registered project.





The case is then validated by a third party agency, called a Designated Operational Entity, to ensure the project results in real, measurable, and long-term emission reductions.

Hydropower projects registered by the CDM Executive Board are eligible to earn certified emission reduction (“CER”) credits. CER credits can be sold to industrialised countries that are required to meet their green house gas emission reduction targets under the terms of the Kyoto Protocol Treaty of 2005.

The Nimoo Bazgo (45 MW) and Chutak (44 MW) hydroelectric projects located in Jammu & Kashmir state were registered by the CDM Executive Board of the United Nations Framework Convention on Climate Change at its 46th meeting in March, 2009. The Nimoo Bazgo and Chutak projects shall annually reduce emissions of approximately 187,893 metric tonne CO2 equivalent and 166,831 metric tonne CO2 equivalent after their commissioning in August 2010 and February 2011, respectively.

We are pursuing CDM registration for additional projects and are investigating other carbon trading initiatives for our projects, such as voluntary emission reduction.

#### IT and Communications

We make use of information and communication technologies for the execution and management of our projects and power stations. We consider information technology to be a strategic tool for us to improve our overall productivity and efficiency.

#### Software

Our electromechanical design division has developed a suite of software, Jal Vidyut, for in-house use in connection with power potential assessment, preliminary power house sizing and speed and pressure rise computations. DPRs for several projects have been successfully submitted to the CEA for TEC using data computed by the software. This suite of software was developed in an effort to standardise engineering practice in our organisation. We intend to continue to refine this software to increase its utility to our engineering team.

#### Insurance

We rely upon insurance coverage obtained by our contractors to insure damage and loss to our hydroelectric projects during the construction phase. Our contractors take third-party insurance in respect of risks associated with our assets and infrastructure that are ancillary to our stations during the construction phase.

We insure the risks associated with damage due to fire, storm, cyclone, flood, earthquake, landslide and terrorist activities to our power stations once they have been commissioned and are operating. We have obtained “Industrial All Risk(IAR) Policy ” in respect of all O&M units w.e.f. 31.07.09.

#### Human Resources



Our Company had 11,835 employees as of December 31, 2009. Our Company had 12,028 employees on its payroll as of March 31, 2009. Of this, 5,232 employees were engaged in operation and maintenance areas of our business. Our Subsidiary had 541 employees as of March 31, 2009. Of this, 236 employees were engaged in operation and maintenance areas of our business. We believe that a well-trained and experienced team of employees is crucial to our continued growth and success. In this regard, we are committed to recruiting and retaining the best talent in the industry, providing them the best training and development facilities and remunerating our employees at levels that will encourage them to perform to their best capability.

### **Employee Training and Development**

We encourage our employees to develop management and technology skills through internal programs, industry affiliations and external certifications. The training and development needs of our staff are assessed on a regular basis. We have a comprehensive training policy for the development of our employees.

### **Unions**

The majority of our workers are affiliated with worker unions. We believe that we have harmonious relationships with our worker unions. Most of our generating stations have unions that are registered under the Trade Union Act, 1926. Most of these unions are affiliated with one of the following - All India NHPC Employees' & Workers' Council, All India Workers' & Employees' Federation, NHPC Karamchari Mahasangh and NHPC Employees' Front. We have previously had instances of sporadic and localised protests. These have not led to any substantial generation loss. Wage negotiations with our unions is ongoing process and a new wage agreement is anticipated to be entered into with respect to unionised employees.

### **Environmental Compliance**

We are committed to developing hydropower in a technologically efficient, environmentally benign and socially responsible manner. We seek, wherever possible, to minimise the impact of hydropower projects on the local population, forestry, flora, fauna, and places of national historical, religious, spiritual and archaeological interest.

We undertake the following activities in order to realise our environmental and social objectives:

- environmental impact assessment studies;
- catchment area treatment to arrest soil erosion;
- compensatory afforestation to replace forest areas lost to project construction;
- green belt development and reservoir rim treatment;
- landscaping and restoration of dumping, quarrying and construction areas;
- solid waste management;
- wildlife conservation;
- fishery management and conservation;



land acquisition, resettlement and rehabilitation for the project-affected people in accordance with the Land Acquisition Act, 1894, the National Resettlement and Rehabilitation Policy, 2007 and our Resettlement and Rehabilitation Policy, 2007;  
post-construction environmental and social impact evaluation; and  
disaster management.

The ISO 14001 certification of our environmental management systems issued by the Bureau Veritas Certification (India) Private Limited demonstrates the international recognition of our commitment to sustainable development.

### **Corporate Social Responsibility and Rehabilitation and Resettlement**

We are committed to our Corporate Social Responsibility (“CSR”) efforts and strive to demonstrate environmentally as well as ethically conscious behaviour. We seek to incorporate best practices in corporate governance, employee welfare, and environmental commitment, and have taken various initiatives towards community development. In our endeavour to align our business operations with social values, we have sanctioned a budget for various large-scale community empowerment and capacity building initiatives to be undertaken in and around our power stations and construction sites pursuant to provisions made in the DPRs.

Our resettlement and rehabilitation program aims to improve the economic status of people displaced or otherwise affected adversely by our projects. We are committed to safeguarding the interests of PAPs through implementation of our Rehabilitation and Resettlement Policy, 2007, (“R&R Policy”) which is based on the National Resettlement and Rehabilitation Policy, 2007 (“NRRP”) of the GoI.

Our R&R Policy aims to provide PAPs with an adequate rehabilitation package beyond monetary compensation. This includes active and transparent participation of PAPs in deciding their compensation packages, compensation for those who do not have a legal or recognised right over the land on which they depend for subsistence, continuity in livelihood options after resettlement, quantification of costs and benefits that will accrue to society (as to the desirability and justifiability of each project), expeditious implementation of the rehabilitation process and special care for vulnerable sections of society.

Recent initiatives towards socio-economic development in connection with our power stations and projects, including initiatives under our R&R Policy for the benefit of PAPs, include the following:

- construction, widening and maintenance of roads and bridges;
- afforestation, catchment area treatment, and fisheries management;
- development of irrigational facilities, water supply, and drainage facilities;
- creation of botanic parks and biodiversity conservatories;
- rural electrification works;
- organisation of educational, career guidance and vocational training programs, awareness programmes on horticultural and agricultural practices, healthcare programs and promotion of sports and culture;
- organisation of health checkup camps, vaccination and immunisation works, free distribution of medicines; and
- on occasion, our Company has assisted in reconstruction of flood-affected villages



## Competition

According to the CEA Monthly Review of the Power Sector, as of November 30, 2009, total installed capacity of hydroelectric projects in India was approximately 36,885 MW. Our Company, with an installed capacity of 3,655 MW, represents approximately 9.90% of the capacity share. Combined with NHDC's installed capacity of 1,520 MW, we represent a capacity share of approximately 14.03%. In Fiscal 2009, our Company and our Subsidiary generated 16,689.59 MUs and 2,368.45 MUs of electricity, respectively. Some of the other players in this industry are Bhakra Beas Management Board ("BBMB"), generation companies of the various states of India, such as, MAHAGENCO, Andhra Pradesh Generation Company ("APGENCO"), Satluj Jal Vidyut Nigam Limited, which is a joint venture between the GoI, the government of Himachal Pradesh and Tehri Hydro Development Corporation Limited ("THDC"), which is a joint venture between the GoI and the government of Uttar Pradesh, along with other private players. Due to the historical imbalance between demand and supply in the Indian power sector, there has generally been a stable market for power generation companies in India. However, the Electricity Act, 2003, removes licensing requirements for thermal generators, provides for open access to transmission and distribution networks and removes restrictions on the right to build captive generation stations. These reforms provide opportunities for increased private sector involvement in power generation. Specifically, the open access reforms, by which generators will be able to sell their output directly to distribution companies and, ultimately, directly to consumers, may increase the financial viability of private investment in power generation.

While under the Electricity Act, 2003, CEA approval and consent of relevant state government is required to set up a hydropower project, the increased opportunities for private investment in the market described above, when combined with available hydro potential in India and the resulting low costs of production, may lead to increased investment in and competition in the hydroelectric sector in the future.

## **BRIEF HISTORY OF THE ISSUER SINCE INCORPORATION, DETAILS OF ACTIVITIES INCLUDE ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGE IN CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWING**

### **HISTORY AND BACKGROUND**

Our Company was incorporated on November 7, 1975 under the Companies Act as a private limited company under the name 'National Hydro Electric Power Corporation Private Limited'. The word 'private' was subsequently deleted on September 18, 1976. Our Company was converted to a public limited company w.e.f. April 2, 1986. Pursuant to a shareholders resolution dated March 13, 2008, the name of our Company was changed to its present name 'NHPC Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the RoC, National Capital Territory of Delhi and Haryana, on March 28, 2008.

### **Changes in our Registered Office**



The table below encapsulates changes in registered office of our Company.

Date of resolution	Change in the address of our Registered Office
August 13, 1976	CSMR Building, Near IIT Hostel, Hauz Khas, New Delhi, India
December 29, 1976	'Manjusha', 57, Nehru Place, New Delhi, India
November 9, 1982	'Hemkunt Tower', 98, Nehru Place, New Delhi, India
June 17, 1994*	'NHPC Office Complex', Sector - 33, Faridabad, Haryana, India

*\*Pursuant to a special resolution passed at an extraordinary general meeting of shareholders on June 17, 1994 and the order of the Company Law Board, Northern Region, dated January 25, 1995 (Company petition number 322/17/94-CLB) and the certificate issued by the RoC, the registered office of our Company was shifted from New Delhi to the state of Haryana.*

### Major events

Financial Year	Event
1975 – 76	Incorporation of our Company
1976 – 77	Transfer of the Loktak hydroelectric project (105 MW) from GoI to our Company
1977 – 78	Transfer of the Baira Siul hydroelectric project (180 MW) from GoI to our Company
1982 - 83	Baira Siul power station (180 MW) in Himachal Pradesh commissioned
1983 – 84	All units of Devighat power station in Nepal commissioned ahead of schedule Loktak power station (105 MW) in Manipur commissioned
1985 – 86	Hydro Power Training Institute set up at the Baira Siul hydroelectric project to train operators and supervisory staff
1986 – 87	First issue of 14% 7 years, redeemable secured non convertible bonds amounting to Rs. 143.64 crore Nuwakot Rural Electrification project in Nepal completed ahead of schedule
1987 – 88	Establishment of a satellite telecommunication network taken up to link various projects of our Company
1989 – 90	GoI upgraded our Company from a Schedule 'B' to a Schedule 'A' corporation
1992 – 93	A consultancy wing set up to provide a range of specialised services in the investigation, design, construction and operation of hydel projects Tanakpur power station (120 MW) in Uttarakhand commissioned
1994 – 95	Awarded the lining work of Jawahar Tunnel in Jammu & Kashmir Our Company declared its maiden dividend of Rs. 5 crore for the year ending March 31, 1994 Our Company's registered office started operating from its present building in Faridabad Chamera I power station (540 MW) in Himachal Pradesh commissioned
1995 – 96	Agreement signed for execution of Kurichhu hydroelectric project (45 MW) in Bhutan
1997 – 98	Uri power station (480 MW) in Jammu & Kashmir commissioned
1999 – 2000	Rangit power station (60 MW) in Sikkim commissioned
2000 – 01	Three units of 45 MW Kurichhu power station in Bhutan commissioned by our Company ahead of schedule Our Company and the government of Madhya Pradesh entered into an MoU to exploit the hydro electric potential of the Narmada basin by completing the Indira Sagar and Omkareshwar projects Our Company and the government of Jammu & Kashmir entered into an MoU to exploit the power potential of the state
2002 – 03	A line of credit for a tenor of 19 years taken from LIC for an amount of Rs. 2,500 crore



Financial Year	Event
	Our Company was accorded 'AAA' credit rating for domestic borrowing and 'BB' credit rating at par with sovereign rating of international borrowings by Fitch Ratings
2003 – 04	Chamera- II power station (300 MW) in Himachal Pradesh commissioned
2004 – 05	Indira Sagar hydroelectric project (1,000 MW) of NHDC, a joint venture of our Company and the government of Madhya Pradesh in Madhya Pradesh commissioned
2005-06	ERP initiated under the name Project Kiran
2006 – 07	Our Company entered into an agreement with Government of Bhutan for preparation of DPR of Mangdechhu project (672 MW) in Bhutan
2007 – 08	The name of our Company changed to its present name NHPC Limited
	Dulhasti power station (390 MW) commissioned
	Teesta-V power station (510 MW) commissioned
	Omkareshwar hydroelectric project (520 MW) of NHDC, a joint venture of our Company and the government of Madhya Pradesh, commissioned
	Our Company entered into an MoA with the government of Arunachal Pradesh to execute the Dibang multipurpose hydroelectric project
	Our Company entered into an MoU with the government of Manipur to exploit the hydro electric potential of the tailrace discharge of Loktak Downstream Hydroelectric Project
2008 – 09	Our Company conferred Mini Ratna Category I status by the GoI
	Our Company entered into an MoU with the government of Jammu & Kashmir, JKSPDC and PTC to incorporate a joint venture develop the Pakal Dul and other hydro projects in the Chenab River Basin
	Incorporation of joint venture company, National Power Exchange Limited, along with NTPC, PFC and Tata Consultancy Services Limited
2009-10	Incorporation of a joint venture company, National High Power Test Laboratory Private Limited, along with NTPC, Powergrid Corporation of India Limited and Damodar Valley Corporation.
	Joint Venture between Govt. of Manipur & NHPC registered for execution of Loktak Downstream Project (66 MW), Manipur

### Awards and recognitions

We have received the following awards and recognitions for achieving and maintaining high standards in various aspects of our business.

Year	Award/Recognition
2005	Solar Energy Society of India Business Leadership Award for Hydropower for the year 2004
2006	Enterprise Excellence Award (Certificate of Merit) by the Indian Institution of Industrial Engineering for Financial and Operational Strength for the year 2004-05
	Golden Peacock Award to Chamera Power Station I for Environment Management for the year 2006 by the World Environment Foundation
2007	Annual Greentech Environment Excellence Silver Award in Hydropower Sector by Greentech Foundation, New Delhi for Environment Management in Hydropower stations/projects for the Dhauliganga Power Station for the year 2006
	Golden Peacock Award to Region II, Banikhet by World Environment Foundation, New Delhi for Excellence in Environment Management for the year 2007
	Water Digest Award for Best Water Management – PSU by Water Digest Private Limited for 2006-07
	Srishti G- Cube Awards for Good Green Governance for the year 2005-06
	Annual Greentech Environment Excellence Silver Award in Hydropower Sector by Greentech Foundation, New Delhi for Environment Management in Hydropower



Year	Award/Recognition
	stations/projects for Region II, Banikhet for the year 2006
	Meritorious Award by SCOPE for Corporate Social Responsibility and Responsiveness for the year 2005-06
	Power HR Forum Award for Best Practices as a Corporate Citizen for the year 2005-06
	Amity Award for Best Corporate Social Responsibility Practices for the year 2007
	Performance Excellence Award (Certificate of Excellence) by Indian Institution of Industrial Engineering for Financial and Operational Strength for the year 2005-06
2008	B.M.L. Munjal Award for Excellence in Learning and Development for the year 2007
	Golden Peacock Award to Chamera Power Station I for Occupational Health and Safety for the year 2008 by the World Environment Foundation
	Performance Excellence Award (Certificate of Merit) by the Indian Institution of Industrial Engineering for Financial and Operational Strength for the year 2006-07
	Special Jury Award at Asia Pacific Human Resource Management Congress for Innovative Human Resources Practices for 2007-08
	Greentech Environment Excellence Award (Silver Award) 2008 awarded to Tanakpur Power Station by the Greentech Foundation, New Delhi
	Water Digest award for Best Water Management-PSU for 2007-08
	SCOPE Meritorious Award for Best Practices in Human Resource Management for 2006-07
2009	TERI Corporate Environmental Award 2009
	Performance Excellence Award by the Indian Institution of Industrial Engineering
	Gold Medal for Outstanding Contribution in Enhancing the Image of India by the Institute of Economic Development
	Amity Award for Best Corporate Social Responsibility for 2008
	2 <sup>nd</sup> Prize in the 'Office Buildings Sector' under the National Energy Conservation Awards for 2009 at New Delhi.
	'Jury Award' from Council of Power Utilities in association with KW Conferences during India Power Awards 2009 for 'Large Scale Implementation of Hydro Projects over the years'.

### CAPITAL STRUCTURE (as on 30<sup>th</sup> September 2009)

(Rs in Crores)

Particulars	Amount
<b>1. SHARE CAPITAL</b>	
Authorised:15000000000 Equity Shares of Rs 10/- each	15000.00
Issued, Subscribed and Paid up: 12300742773 Equity Shares of Rs 10 each fully paid up (Out of above 62952960 Shares of Rs 10/- each have been allotted for consideration other than cash pursuant to agreement with Government of India)	12300.74
<b>2. SHARE PREMIUM</b>	2867.30

### Share Capital History of our Company:

All allotments of Equity Shares are to the President of India acting through MoP, against funds released by the GoI. The following is the history of the Equity Share capital of our Company:

Date of Issue/ Allotment	No. of Equity Shares	Face Value (Rs.)	Issue price (Rs.)	Consideration in Cash/ other than cash	Cumulative Share Premium (Rs in Crores)	Cumulative No. of Equity Shares	Equity Share Capital (Rs.)	Cumulative Equity Share Capital (Rs. in crore)
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Disclosure Documents  
Private & Confidential-not for circulation



Date of Issue/ Allotment	No. of Equity Shares	Face Value (Rs.)	Issue price (Rs.)	Consideration in Cash/ other than cash	Cumulative Share Premium (Rs in Crores)	Cumulative No. of Equity Shares	Equity Share Capital (Rs.)	Cumulative Equity Share Capital (Rs. in crore)
August 13, 1976	3,283	1,000	1,000	Cash	Nil	3,283	32,83,000	0.33
December 29, 1976	1,950	1,000	1,000	Cash	Nil	5,233	19,50,000	0.52
April 28, 1977	2	1,000	1,000	Cash	Nil	5,235	2,000	0.52
September 3, 1977	40,000	1,000	1,000	Cash	Nil	45,235	4,00,00,000	4.52
February 28, 1978	6,29,529	1,000	1,000	Other than cash	Nil	6,74,764	62,95,29,000	67.48
February 28, 1978	60,700	1,000	1,000	Cash	Nil	7,35,464	6,07,00,000	73.55
September 18, 1978	73,298	1,000	1,000	Cash	Nil	8,08,762	7,32,98,000	80.88
February 2, 1979	25,000	1,000	1,000	Cash	Nil	8,33,762	2,50,00,000	83.38
August 6, 1980	1	1,000	1,000	Cash (Rs. 400) Other than cash (Rs. 600)	Nil	8,33,763	1,000	83.38
March 31, 1981	1,46,150	1,000	1,000	Cash	Nil	9,79,913	14,61,50,000	97.99
December 21, 1981	15,000	1,000	1,000	Cash	Nil	9,94,913	1,50,00,000	99.49
March 27, 1982	33,300	1,000	1,000	Cash	Nil	10,28,213	3,33,00,000	102.82
June 14, 1982	35,000	1,000	1,000	Cash	Nil	10,63,213	3,50,00,000	106.32
September 02, 1982	36,000	1,000	1,000	Cash	Nil	10,99,213	3,60,00,000	109.92
December 14, 1982	1,24,000	1,000	1,000	Cash	Nil	12,23,213	12,40,00,000	122.32
February 23, 1983	15,000	1,000	1,000	Cash	Nil	12,38,213	1,50,00,000	123.82
March 26, 1983	60,000	1,000	1,000	Cash	Nil	12,98,213	6,00,00,000	129.82
June 6, 1983	32,900	1,000	1,000	Cash	Nil	13,31,113	3,29,00,000	133.11
September 5, 1983	61,859	1,000	1,000	Cash	Nil	13,92,972	6,18,59,000	139.30
December 16, 1983	48,550	1,000	1,000	Cash	Nil	14,41,522	4,85,50,000	144.15
March 5, 1984	2,14,541	1,000	1,000	Cash	Nil	16,56,063	21,45,41,000	165.61
May 14, 1984	1,39,579	1,000	1,000	Cash	Nil	17,95,642	13,95,79,000	179.56
January 8, 1985	4,27,459	1,000	1,000	Cash	Nil	22,23,101	42,74,59,000	222.31
June 21, 1985	11,75,665	1,000	1,000	Cash	Nil	33,98,766	1,17,56,65,000	339.88
November 18, 1985	4,72,500	1,000	1,000	Cash	Nil	38,71,266	47,25,00,000	387.12
February 24, 1986	4,20,000	1,000	1,000	Cash	Nil	42,91,266	42,00,00,000	429.13
June 6, 1986	8,03,546	1,000	1,000	Cash	Nil	50,94,812	80,35,46,000	509.48
December 26, 1986	3,05,000	1,000	1,000	Cash	Nil	53,99,812	30,50,00,000	539.98
March 31, 1987	10,000	1,000	1,000	Cash	Nil	54,09,812	1,00,00,000	540.98



Disclosure Documents  
Private & Confidential-not for circulation



Date of Issue/ Allotment	No. of Equity Shares	Face Value (Rs.)	Issue price (Rs.)	Consideration in Cash/ other than cash	Cumulative Share Premium (Rs in Crores)	Cumulative No. of Equity Shares	Equity Share Capital (Rs.)	Cumulative Equity Share Capital (Rs. in crore)
April 29, 1987	3,31,200	1,000	1,000	Cash	Nil	57,41,012	33,12,00,000	574.10
November 25, 1987	11,26,681	1,000	1,000	Cash	Nil	68,67,693	1,12,66,81,000	686.77
March 9, 1988	1,57,700	1,000	1,000	Cash	Nil	70,25,393	15,77,00,000	702.54
May 4, 1988	1,62,258	1,000	1,000	Cash	Nil	71,87,651	16,22,58,000	718.77
August 17, 1988	4,75,000	1,000	1,000	Cash	Nil	76,62,651	47,50,00,000	766.27
December 28, 1988	2,49,500	1,000	1,000	Cash	Nil	79,12,151	24,95,00,000	791.22
March 27, 1989	65,789	1,000	1,000	Cash	Nil	79,77,940	6,57,89,000	797.80
December 28, 1989	5,09,700	1,000	1,000	Cash	Nil	84,87,640	50,97,00,000	848.76
April 2, 1990	1,04,800	1,000	1,000	Cash	Nil	85,92,440	10,48,00,000	859.24
July 16, 1990	41,50,400	1,000	1,000	Cash	Nil	1,27,42,840	4,15,04,00,000	1,274.28
August 30, 1990	2,50,000	1,000	1,000	Cash	Nil	1,29,92,840	25,00,00,000	1,299.28
October 29, 1990 and November 5, 1990	8,20,000	1,000	1,000	Cash	Nil	1,38,12,840	82,00,00,000	1,381.28
January 24, 1991	19,45,000	1,000	1,000	Cash	Nil	1,57,57,840	1,94,50,00,000	1,575.78
February 26, 1991	4,35,200	1,000	1,000	Cash	Nil	1,61,93,040	43,52,00,000	1,619.30
May 13, 1991	9,26,300	1,000	1,000	Cash	Nil	1,71,19,340	92,63,00,000	1,711.93
July 17, 1991	6,40,000	1,000	1,000	Cash	Nil	1,77,59,340	64,00,00,000	1,775.93
August 9, 1991	2,15,000	1,000	1,000	Cash	Nil	1,79,74,340	21,50,00,000	1,797.43
November 27, 1991	7,11,800	1,000	1,000	Cash	Nil	1,86,86,140	71,18,00,000	1,868.61
December 24, 1991	5,38,000	1,000	1,000	Cash	Nil	1,92,24,140	53,80,00,000	1,922.41
June 19, 1992	11,87,200	1,000	1,000	Cash	Nil	2,04,11,340	1,18,72,00,000	2,041.13
August 5, 1992	3,90,000	1,000	1,000	Cash	Nil	2,08,01,340	39,00,00,000	2,080.13
October 9, 1992	6,05,000	1,000	1,000	Cash	Nil	2,14,06,340	60,50,00,000	2,140.63
November 27, 1992	3,70,000	1,000	1,000	Cash	Nil	2,17,76,340	37,00,00,000	2,177.63
January 27, 1993	7,76,000	1,000	1,000	Cash	Nil	2,25,52,340	77,60,00,000	2,255.23
July 2, 1993	9,58,500	1,000	1,000	Cash	Nil	2,35,10,840	95,85,00,000	2,351.08
September 2, 1993	5,60,000	1,000	1,000	Cash	Nil	2,40,70,840	56,00,00,000	2,407.08
November 25, 1993	9,20,000	1,000	1,000	Cash	Nil	2,49,90,840	92,00,00,000	2,499.08
June 15, 1996	(20,56,461)*	1,000	1,000	-	-	2,29,34,379	-	2,293.44
June 15, 1996	20,58,600	1,000	1,000	Cash	Nil	2,49,92,979	2,05,64,61,000	2,499.30
July 25, 1997	(2,38,832)*	1,000	1,000	-	Nil	2,47,54,147	-23,88,32,000	2,475.41

Disclosure Documents  
Private & Confidential-not for circulation



Date of Issue/ Allotment	No. of Equity Shares	Face Value (Rs.)	Issue price (Rs.)	Consideration in Cash/ other than cash	Cumulative Share Premium (Rs in Crores)	Cumulative No. of Equity Shares	Equity Share Capital (Rs.)	Cumulative Equity Share Capital (Rs. in crore)
July 25,1997	13,91,800	1,000	1,000	Cash	Nil	2,61,45,947	1,39,18,00,000	2,614.59
September 23,1997	5,11,000	1,000	1,000	Cash	Nil	2,66,56,947	51,10,00,000	2,665.69
November 1,1997	15,70,000	1,000	1,000	Cash	Nil	2,82,26,947	1,57,00,00,000	2,822.69
December 5,1997	5,00,000	1,000	1,000	Cash	Nil	2,87,26,947	50,00,00,000	2,872.69
February 21,1998	9,60,000	1,000	1,000	Cash	Nil	2,96,86,947	96,00,00,000	2,968.69
July 22,1998	10,65,000	1,000	1,000	Cash	Nil	3,07,51,947	1,06,50,00,000	3,075.19
September 18,1998	6,40,000	1,000	1,000	Cash	Nil	3,13,91,947	64,00,00,000	3,139.19
October 17,1998	3,30,000	1,000	1,000	Cash	Nil	3,17,21,947	33,00,00,000	3,172.19
November 13/19, 1998	50,000	1,000	1,000	Cash	Nil	3,17,71,947	5,00,00,000	3,177.19
January 4, 1999	5,44,200	1,000	1,000	Cash	Nil	3,23,16,147	54,42,00,000	3,231.61
January 29, 1999	50,000	1,000	1,000	Cash	Nil	3,23,66,147	5,00,00,000	3,236.61
March 19, 1999	10,09,800	1,000	1,000	Cash	Nil	3,33,75,947	1,00,98,00,000	3,337.59
April 28, 1999	6,06,400	1,000	1,000	Cash	Nil	3,39,82,347	60,64,00,000	3,398.23
July 31, 1999	8,42,600	1,000	1,000	Cash	Nil	3,48,24,947	84,26,00,000	3,482.49
July 31, 1999	6,30,000	1,000	1,000	Cash	Nil	3,54,54,947	63,00,00,000	3,545.49
August 27, 1999	13,14,600	1,000	1,000	Cash	Nil	3,67,69,547	1,31,46,00,000	3,676.95
September 24,1999	60,000	1,000	1,000	Cash	Nil	3,68,29,547	6,00,00,000	3,682.95
October 25,1999	20,000	1,000	1,000	Cash	Nil	3,68,49,547	2,00,00,000	3,684.95
November 30,1999	5,20,000	1,000	1,000	Cash	Nil	3,73,69,547	52,00,00,000	3,736.95
January 18,2000	4,70,000	1,000	1,000	Cash	Nil	3,78,39,547	47,00,00,000	3,783.95
February 3,2000	9,22,100	1,000	1,000	Cash	Nil	3,87,61,647	92,21,00,000	3,876.16
March 10,2000	8,90,000	1,000	1,000	Cash	Nil	3,96,51,647	89,00,00,000	3,965.16
March 30,2000	3,20,800	1,000	1,000	Cash	Nil	3,99,72,447	32,08,00,000	3,997.24
April 26,2000	2,32,500	1,000	1,000	Cash	Nil	4,02,04,947	23,25,00,000	4,020.49
July 20,2000	11,78,300	1,000	1,000	Cash	Nil	4,13,83,247	1,17,83,00,000	4,138.32
August 25, 2000	14,00,000	1,000	1,000	Cash	Nil	4,27,83,247	1,40,00,00,000	4,278.32
September 27, 2000	6,91,800	1,000	1,000	Cash	Nil	4,34,75,047	69,18,00,000	4,347.50
October 24, 2000	12,39,100	1,000	1,000	Cash	Nil	4,47,14,147	1,23,91,00,000	4,471.41
March 8, 2001	14,30,800	1,000	1,000	Cash	Nil	4,61,44,947	1,43,08,00,000	4,614.49
April 30, 2001	14,80,000	1,000	1,000	Cash	Nil	4,76,24,947	1,48,00,00,000	4,762.49
June 20,	29,11,500	1,000	1,000	Cash	Nil	5,05,36,447	2,91,15,00,000	5,053.64

Disclosure Documents  
Private & Confidential-not for circulation



Date of Issue/ Allotment	No. of Equity Shares	Face Value (Rs.)	Issue price (Rs.)	Consideration in Cash/ other than cash	Cumulative Share Premium (Rs in Crores)	Cumulative No. of Equity Shares	Equity Share Capital (Rs.)	Cumulative Equity Share Capital (Rs. in crore)
2001							0	
September 7, 2001	9,46,400	1,000	1,000	Cash	Nil	5,14,82,847	94,64,00,000	5,148.28
November 26, 2001	14,47,700	1,000	1,000	Cash	Nil	5,29,30,547	1,44,77,00,000	5,293.05
April 30, 2002	62,67,700	1,000	1,000	Cash	Nil	5,91,98,247	6,26,77,00,000	5,919.82
July 24, 2002	6,35,100	1,000	1,000	Cash	Nil	5,98,33,347	63,51,00,000	5,983.33
August 22, 2002	10,18,400	1,000	1,000	Cash	Nil	6,08,51,747	1,01,84,00,000	6,085.17
October 21, 2002	18,57,500	1,000	1,000	Cash	Nil	6,27,09,247	1,85,75,00,000	6,270.92
December 23, 2002	21,69,300	1,000	1,000	Cash	Nil	6,48,78,547	2,16,93,00,000	6,487.85
February 26, 2003	20,55,350	1,000	1,000	Cash	Nil	6,69,33,897	2,05,53,50,000	6,693.39
April 28, 2003	12,13,700	1,000	1,000	Cash	Nil	6,81,47,597	1,21,37,00,000	6,814.76
June 11, 2003	10,66,200	1,000	1,000	Cash	Nil	6,92,13,797	1,06,62,00,000	6,921.38
July 28, 2003	14,40,000	1,000	1,000	Cash	Nil	7,06,53,797	1,44,00,00,000	7,065.38
September 30, 2003	21,22,100	1,000	1,000	Cash	Nil	7,27,75,897	2,12,21,00,000	7,277.59
December 18, 2003	22,38,500	1,000	1,000	Cash	Nil	7,50,14,397	2,23,85,00,000	7,501.44
January 27, 2004	27,41,900	1,000	1,000	Cash	Nil	7,77,56,297	2,74,19,00,000	7,775.63
April 28, 2004	42,75,500	1,000	1,000	Cash	Nil	8,20,31,797	4,27,55,00,000	8,203.18
July 30, 2004	23,69,400	1,000	1,000	Cash	Nil	8,44,01,197	2,36,94,00,000	8,440.12
September 15, 2004	30,58,700	1,000	1,000	Cash	Nil	8,74,59,897	3,05,87,00,000	8,745.99
October 30, 2004	23,54,200	1,000	1,000	Cash	Nil	8,98,14,097	2,35,42,00,000	8,981.41
December 30, 2004	18,71,200	1,000	1,000	Cash	Nil	9,16,85,297	1,87,12,00,000	9,168.53
March 24, 2005	25,70,900	1,000	1,000	Cash	Nil	9,42,56,197	2,57,09,00,000	9,425.62
April 21, 2005	15,88,900	1,000	1,000	Cash	Nil	9,58,45,097	1,58,89,00,000	9,584.51
July 22, 2005	9,94,300	1,000	1,000	Cash	Nil	9,68,39,397	99,43,00,000	9,683.94
September 30, 2005	18,59,300	1,000	1,000	Cash	Nil	9,86,98,697	1,85,93,00,000	9,869.87
September 30, 2005	83,323	1,000	1,000	Cash	Nil	9,87,82,020	8,33,23,000	9,878.20
November 23, 2005	10,46,900	1,000	1,000	Cash	Nil	9,98,28,920	1,04,69,00,000	9,982.89
December 29, 2005	17,57,100	1,000	1,000	Cash	Nil	10,15,86,020	1,75,71,00,000	10,158.60
March 24, 2006	5,66,800	1,000	1,000	Cash	Nil	10,21,52,820	56,68,00,000	10,215.28
April 20, 2006	2,03,800	1,000	1,000	Cash	Nil	10,23,56,620	20,38,00,000	10,235.67
July 21, 2006	11,36,800	1,000	1,000	Cash	Nil	10,34,93,420	1,13,68,00,000	10,349.34
September 6, 2006	15,11,200	1,000	1,000	Cash	Nil	10,50,04,620	1,51,12,00,000	10,500.46



Date of Issue/ Allotment	No. of Equity Shares	Face Value (Rs.)	Issue price (Rs.)	Consideration in Cash/ other than cash	Cumulative Share Premium (Rs in Crores)	Cumulative No. of Equity Shares	Equity Share Capital (Rs.)	Cumulative Equity Share Capital (Rs. in crore)
February 7, 2007	24,56,200	1,000	1,000	Cash	Nil	10,74,60,820	2,45,62,00,000	10,746.08
March 13, 2007	13,54,600	1,000	1,000	Cash	Nil	10,88,15,420	1,35,46,00,000	10,881.54
March 13, 2007	The equity shares of Rs. 1,000 each were split into Equity Shares of the face value of Rs. 10 each.							
March 26, 2007	31,66,70,500	10	10	Cash	Nil	11,19,82,12,500	3,16,67,05,000	11,198.21
May 26, 2007	(2,45,50,000)**	10	10	-	-	11,17,36,62,500	(24,55,00,000)	11,173.66
March 13, 2008	88,30,930	10	10	Cash	Nil	11,18,24,93,430	8,83,09,300	11,182.49
August 26, 2009	1118249343	10	36	Cash	2867.30***	12300742773	11182493430	12300.74

\* Reduction of share capital on account of transfer of transmission assets to Power Grid Corporation of India Limited.

\*\*Reduction of share capital on account of closure of Koel Karo hydroelectric project in the state of Jharkhand.

\*\*\* Adjustment of Share issue expenses of Rs 40.15 crores as per the provisions of Section 78 of the Companies Act, 1956.

#### SHAREHOLDING PATTERN (as on 04.12.2009)

S. No.	Category	Holding
1.	President of India	86.363632%
2.	Resident Individuals	5.957315%
3.	Bodies Corporate	2.040121%
4.	Foreign Institutional Investors	1.752277%
5.	Mutual Funds	1.340635%
6.	Banks	1.051032%
7.	Indian Financial Institution	1.019069%
8.	HUF	0.336209%
9.	Non- Resident Indian	0.086227%
10.	Clearing Members	0.047427%
11.	Trusts	0.005946%
12.	Overseas Corporate Bodies	0.000074%
13.	Foreign Nationals	0.000033%
14.	Nominee to President of India	0.000005%
	<b>Total</b>	<b>100.000%</b>

#### BORROWINGS

The Company raises debt from Domestic as well as International Markets in both Rupees and foreign currencies. Traditionally, a significant of external funding was in the foreign currency loans from multilateral agencies which were guaranteed by Government of India. In recent years,



the company increased reliance on domestic borrowings in Rupees in the form of Loan , Line of Credits and bonds. The company has both secured and unsecured borrowings. Secured borrowings account for over 69.74% of total borrowings as on September 30,2009 and mainly comprise Line of Credit with LIC & Term Loans from PFC. The details of borrowings is furnished below:

### Debt Outstanding

(Rs in Crores)  
(as on 30<sup>th</sup> September ,2009)

<b>A. Loan Funds Secured</b>	
Bonds	<b>513.00</b>
Term Loans from Banks/FIs-Indian Currency	<b>7921.09</b>
<b>B. Loans Funds Unsecured</b>	
Foreign Currency Borrowings guaranteed by Government of India	<b>3124.24</b>
Loans from Government of India	<b>34.00</b>
Short Term loans from Banks/ FIs	<b>500.00</b>
<b>Total</b>	<b>12092.33</b>



**Summary Term Sheet**

SL. NO.	PARTICULARS	<b>SECURED NON CONVERTIBLE NON CUMULATIVE REDEEMABLE TAXABLE BONDS IN THE NATURE OF DEBENTURES THROUGH PRIVATE PLACEMENT (P-SERIES)</b>
1	<b>Issuer</b>	NHPC LTD.
2	<b>Instrument /Bond Series</b>	Secured Redeemable Non-Convertible Bonds (P-Series)
3	<b>Issue size</b>	Rs 2000 crore (in one or more tranches before 28.02.10)
4.	<b>Object of the issue</b>	Meeting the debt requirement of on-going construction projects.
5	<b>Denomination (face value)</b>	Rs. 10 lakhs per Bond
6	<b>Issue opening</b>	19 <sup>th</sup> Jan 2010
7	<b>Issue closing</b>	21 <sup>st</sup> Jan 2010
8	<b>Tenor</b>	15 years
9	<b>Moratorium</b>	5 years
10	<b>Redemption</b>	In 10 equal installments commencing from the end of 6 <sup>th</sup> year up to the end of 15 <sup>th</sup> year from the Deemed Date of Allotment
11	<b>Placement</b>	Private Placement on Structured basis
12	<b>Security</b>	Mortgage of existing as well as future assets of the corporation on pari-passu basis including assets already mortgaged to LIC with minimum asset coverage of 1.25 times.
13	<b>Coupon Rate</b>	9.00% p.a. payable annually
14	<b>Interest payment</b>	First interest from the date of allotment and subsequently on last date of February every year.
15	<b>Mode of Subscription</b>	Full Face value payable along with application
16	<b>NHPC Rating</b>	AAA Fitch Rating
17	<b>Trustee</b>	IDBI Trusteeship Services Ltd. Asiad Building, 17, R. Kamani Marg, Mumbai-400 001
18	<b>Listing</b>	National Stock Exchange of India Ltd (NSE)
19	<b>Issuance/ Trading</b>	In Demat Mode
20	<b>Depository</b>	National Securities Depository Ltd. (NSDL) & Central Depository Services Ltd. (CDSL)
21	<b>Registrars</b>	M/s RCMC Share Registry Pvt. Ltd., Ground Floor, B-106, Sector-2, Noida-201 301 (UP)
22	<b>Interest on Application money</b>	At the respective coupon rate i.e. 9.00% from the date of realization of cheque(s)/ Demand Draft(s)/RTGS/ECS up to one day prior to the deemed date of allotment. In case of default of interest/or principal payment additional interest @2% will be payable.
23	<b>Settlement</b>	Payment of interest & repayment of principal shall be made by way of cheque(s)/ interest/redemption warrant(s)/Demand Draft(s)/credit through RTGS/ECS
24	<b>Deemed Date of Allotment</b>	01.02.2010



**VIII. 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).**

**PRIVATE PLACEMENT OF 9.00% SECURED NON-CUMULATIVE NON CONVERTIBLE REDEEMABLE TAXABLE BONDS (P SERIES) IN THE NATURE OF DEBENTURES OF RS. 10 LAKH EACH FOR CASH AT PAR AGGREGATING TO RS 2000 CRORE**

**Issue Size**

NHPC ( the 'Issuer' or "NHPC Ltd" or "the Company" or the Corporation") proposes to raise Rs 2000 crore , by issue of Secured Non-Cumulative Non Convertible Redeemable Taxable bonds (P Series) in the nature of debentures of Rs. 10 lakh each by way of private placement ('the issue').

**Registration and Government Approvals**

The company can undertake the activities proposed by in view of the present approvals and not 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.

The present issue of Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds is being made pursuant to the Resolution of the Board of Directors of the Company passed in its meetings held on 16<sup>th</sup> December 2009 wherein the Chairman and Managing Director / Director (Finance) have been authorized to raise Secured, Redeemable, Taxable, Non-Cumulative, P-Series of Bonds of Rs 2000 crore on private placement basis in D-mat form with in the borrowing powers as set out in 28<sup>th</sup> EGM held on 15.09.04 under section 293(1)(d) of the Companies Act. The aggregate amount of borrowings including the Bonds offered through this document is well within the limits of borrowings mentioned above. The Company can issue the bonds proposed by it in view of the present approvals and no further approvals in general from any Government Authority are required by it to undertake the proposed activity.

**Objects of the Issue**

The objects of the Fresh Issue are to utilise the proceeds of the Fresh Issue, to meet the debt requirement of the ongoing construction projects.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.



### **Utilization of Issue Proceeds**

The Company is managed by professionals under the supervision of its Board of Directors. Further, the Company is subject to a number of regulatory checks and balances as stipulated in its regulatory environment. Therefore, the management shall ensure that the funds raised via this private placement shall be utilized only towards satisfactory fulfillment of the Objects of the Issue. The company further confirms that the proceeds of the current issue of Bonds shall not be used for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

### **Minimum Subscription**

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

### **Underwriting**

The present Issue of Bonds is on private placement basis and has been underwritten for Rs. 2000 Crores.

### **Nature of Bonds**

The Bonds are to be issued in the form of Secure Non-Convertible Redeemable Bonds in the nature of Debentures (Series – P). The Bonds shall be issued under the Bond Trust Deed which will be executed in favour of Debenture Trustee.

### **Security**

The NCDs in the nature of bonds shall be secured by first pari-passu charge over the fixed assets of the company both existing and future, with minimum asset coverage of the 1.25 time the issue amount. The company proposes to provide balance available coverage in its existing assets already mortgaged to LIC i.e. Parbati-II & Dhauliganga HE Projects on pari-passu basis. It is also proposed to mortgage our on-going Chamera-III HE project on pari-passu basis or any other property in the form of security for the proposed NCD.

The Company shall at all times maintain a minimum security cover of 1.25 times of the value of all the outstanding Bonds proposed to be issued.

The said security shall be created in favour of the Trustee within 3 months from the date of LIC disbursement (i.e. deemed date of allotment) failing which additional interest @ 2% p.a. on the outstanding amount of debentures shall be payable by the company from the date of disbursement till such creation of security to the satisfaction of LIC. In case security is not created within 6 months from the date of disbursement the LIC reserves the right to recall its outstanding principal amount on the aforesaid bonds along with all other monies including





compensation for all real / notional losses calculated on the basis as LIC may deem fit and accrued interest in respect thereof.

### **Face Value, Issue Price, Effective Yield for Investor**

Each Bond has face value of Rs. 10,00,000/- and is issued at par i.e. for Rs. 10,00,000/-. The Bonds shall be redeemable at par i.e. for Rs. 10,00,000/- per Bond @ 1/10 of the face value of the Bond every year over a period of 10 years commencing from the from the end of 6th year up to the end of 15th year from the Deemed Date of Allotment . Since there is no premium or discount on either issue price or on redemption value of the Bonds, the effective yield for the investors shall be the same as the coupon rate on the respective bonds series.

### **Terms of Payment**

The full face value of the Bonds applied for is to be paid along with the application form. LIC need to send in the application form and the cheque(s) / demand draft(s) / RTGS/ECS 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/-	NA	Rs10,00,000/-

### **Deemed Date of Allotment**

Interest on Bonds shall accrue to the Bondholder(s) from and including 01.02.2010 which shall be 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 modify allotment date / deemed date 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.

### **Letter(s) of Allotment / Bond Certificate(s) / Refund Order(s) Issue Letter(s) of Allotment**

The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL) / Central Depository Services (India) Ltd. (CDSL) / Depository Participant will be given initial credit within 2 working 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 3 months from the Deemed Date of Allotment, or such extended period as may be approved by the appropriate authority(ies), 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, Security 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.

### **Depository Arrangements**

The Company has appointed M/s RCMC Share Registry Pvt. Ltd. Ground Floor, B-106, Sector-2, Noida-201301, as Registrars & Transfer Agent for the present bond issue. The Company has made necessary depository arrangements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for issue and holding of Bonds in dematerialized form. In this context the Company has signed two agreements as under:

Tripartite Agreement dated 24.12.2001 between NHPC Limited, M/s RCMC Share Registry Pvt. Ltd. and National Securities Depository Ltd. (NSDL) for offering depository option to the investors.

Tripartite Agreement dated 01.01.2002 between NHPC Limited, M/s RCMC Share Registry Pvt. Ltd. and Central Depository Services (I) Ltd. (CDSL) for offering depository option to the investors.

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

### **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 or 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/ Dematerialised 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 Company.
7. For allotment of Bonds, the address, nomination details and other details of the applicant as registered with DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of its demographic details given in the application form vis-a-vis those with their 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 being issued in electronic form, the same can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. National Stock Exchange of India Ltd., where the Bonds of the Company are proposed to be listed has connectivity with NSDL and CDSL.
9. Interest or other benefits would be paid to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to the Company as on Record Date/ Book Closure Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date/ Book Closure Date, the Company would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to the Company, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

### **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.

#### **Trading of Bonds**

The marketable lot for the purpose of trading of Bonds shall be one Bond i.e. in denomination of Rs.10 lakh. Trading of Bonds would be permitted in demat mode only 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 executed and reported on a recognized stock exchange having a nation wide trading terminal or such other platform as may be specified by SEBI.

#### **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. The provisions of The Depositories Act, 1996 read with the Companies Act, 1956 shall apply for transfer and transmission of Bonds.

#### **Interest on Application Money**

Interest at the coupon rate @ 9.00% p.a, (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 bonds.

Such interest shall be paid from and including the date of realisation of cheque(s)/ demand draft(s)/ RTGS/ECS upto but excluding the Deemed Date of Allotment. The interest on application money will be computed on the basis of actual number of days elapsed in a year. For this purpose a year would comprise a period of 365 days. In the leap year the month of February shall be considered as of 28 days and the year would be of 365 days.

#### **Interest on the Bonds**

The Bonds shall carry interest at coupon rate i.e @ 9.00% p.a [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]. The first interest shall be computed from the Deemed Date of Allotment till 27.02.2010 and will be paid on 28.02.2010. Thereafter interest payment shall be made annually on last day of February each year till final maturity of the Bonds so as to include the previous interest payment date and exclude the current interest payment date. Final interest payment for the broken period shall be made on the date of maturity. Interest on Bonds will cease from the date of final redemption in all events. The Company retains the right to revise (pre-pone/ postpone) the above interest payment date(s) at its sole and absolute discretion.

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 the city of Mumbai, Maharashtra), then payment of , interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period. In case of default of interest/or principal payment additional interest @2% will be payable.

#### **Computation of Interest**

The interest shall be computed on the basis of actual number of days elapsed in a year on the face value of principal outstanding on the Bonds at the applicable coupon rate rounded off to the nearest Rupee. For this purpose a year would comprise a period of 365 days.



### **Record Date**

The 'Record Date' for the Bonds shall be 20 days prior to each interest payment and/ or principal repayment date. Interest and/or principal repayment shall be made to the person whose name appears as sole first in the register of bondholders/ beneficiaries position of the Depositories on record date. In the event of the Company not receiving any notice of transfer at least 20 days before the respective due date of payment of interest and at least 20 days prior to the maturity date, the transferees for the Bonds shall not have any claim against the Company in respect of interest so paid to the registered bondholder.

### **Deduction of Tax 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. For seeking TDS exemption/ lower rate of TDS, relevant certificate(s)/ document(s) must be lodged at least 15 days before the payment of interest becoming due with the Registrars, RCMC Share Registry Pvt. Ltd. Ground Floor, B-106, Sector-2, Noida-201301, UP Tel No: (0120) 4015800, Fax No. 91-120-2444346 or directly to Domestic Finance Section of the Company located at 4th Floor, NHPC Ltd, Sector-33, Faridabad, Haryana-121003.

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).

### **Redemption**

1/10<sup>th</sup> of the face value of the Bond will be redeemed at par every year over a period of 10 years commencing from the end of 6<sup>th</sup> year to the end of 15<sup>th</sup> year from the Deemed date of allotment. The Bond will not carry any obligation, for interest or otherwise, after the date of redemption. The Bonds held in the dematerialised form shall be taken as discharged on payment of the redemption amount by the Company on maturity 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 Company towards the Bondholders.

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 the city of Mumbai, Maharashtra), then the payment due shall be made on the next Business Day together with additional interest for the intervening period.

### **Settlement/ Payment on Redemption**

Payment on redemption will be made by way of cheque(s)/ redemption warrants(s)/ demand draft(s)/ credit through RTGS system/ECS in the name of the Bondholders whose name appear on the List of

Beneficial Owners given by Depository to the Company as on the Record Date/ Book Closure Date.

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 Bondholders. On such payment being made, the Company shall inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Bondholders with NSDL/ CDSL/ Depository Participant shall be adjusted (debited).

The Company's liability to the Bondholders 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/ crediting the amount to the Beneficiary(ies) as specified above in respect of the Bonds, the liability of the Company shall stand extinguished.

#### **Effect of Holidays**

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).

#### **List of Beneficial Owners /Register 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, as the case may be. The depositories shall maintain a register and an index of Beneficial Owners in the manner provided in Sections 150,151 and 152 of the Companies Act, 1956.

#### **Who Can Apply**

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

- .Financial Institutions.
- .Insurance Companies.
- .Scheduled Commercial Banks and Subsidiaries of Nationalised Banks.
- .State Co-operative Banks.
- .Mutual Funds.
- .Provident Funds, Superannuation Funds, Gratuity Funds. .
- Statutory Corporations, Boards etc.
- .Registered Trusts.
- .Corporate Bodies.
- .Foreign Institutional Investors.
- .Registered Societies.

#### **Documents to be provided by applicants**

Investors need to submit duly certified true copies of the following documents, as may be applicable to them, alongwith the Application Form:-

#### **Financial Institutions, Insurance Companies, Statutory Corporations, Boards, Corporate Bodies, Foreign Institutional Investors:-**

- i. Resolution authorising the investment and containing operating instructions; and
- ii. Specimen Signatures of authorised signatories.
- iii. SEBI Registration Certificate (for Fils only).

#### **Scheduled Commercial Banks, Subsidiaries of Nationalised Banks, State Co-operative Banks:-**

- i. Power of Attorney; and
- ii. Specimen Signatures of authorised signatories.

#### **Mutual Funds:-**

- i. SEBI Registration Certificate;
- ii. Resolution passed by the competent authority authorising the investment and containing operating instructions; and
- iii. Specimen Signatures of authorised signatories.

#### **Provident Funds, Superannuation Funds, Gratuity Funds:-**

- i. Resolution passed by the competent authority authorising the investment; and ii. Specimen Signatures of authorised signatories.

#### **Registered Trusts, Registered Societies:-**

- i. Constitution of the Institutions such as Trust Deed/Bye-laws/Resolutions etc.;
- ii. Resolution authorising the investment and containing operating instructions; and iii. Specimen Signatures of authorised signatories.



In addition to above, the investors may also attach such other documents as may be considered necessary by them. For investments made under Power of Attorney, certified true copy of notarised/registered Power of Attorney or other authority may also be submitted.

However, out of the aforesaid class of investors eligible to invest, this Disclosure Document is intended solely for the use of the person to whom it has been sent by the Company 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 from)he Company.

### **Application under Power of Attorney or by Limited Companies**

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organisations or Trusts etc, the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the application form, quoting the serial number of the application form and the Bank's branch where the application has been submitted, at the office of the Registrars to the Issue after submission of the application form to the Bankers to the issue or any of the designated branches as mentioned on the reverse of the Application Form, failing which the applications are liable to be rejected. Such authority received by the Registrars to the Issue more than 10 days after closure of the subscription list may not be considered.

### **Mode of Subscription / 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.

Copies of Disclosure Document and Application form may be obtained from the Registered Office of NHPC Ltd. 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.

All cheques/ demand drafts should be in favour of "NHPC Limited" and crossed "Account Payee Only". The entire amount of Rs. 10 lakh (Rs. Ten lakh only) per Bond is payable on application. Alternatively, investors can remit their application money by way of electronic transfer of funds through RTGS mechanism for credit in the account of "NHPC Limited" at Axis Bank, Ballabgarh Branch, Faridabad as per the details given in the general instructions to the applicants, attached to the application form.

Applications complete in all respects (along with all necessary documents as detailed in this Disclosure Document) must be submitted before the last date indicated in the issue time table or such extended time as decided by the Issuer, at any of the designated collection centres, accompanied by the subscription amount by way of cheque(s)/ demand draft(s) drawn on any bank including a co-operative , bank which is situated at and is a member of the Bankers' clearing house located at a place where the application form is submitted. Cash, outstation cheques, money orders, postal orders and stockinvest shall not be accepted. The Company assumes no responsibility for any applications/ cheques/ demand drafts lost in mail. Detailed instructions for filling up the application form and list of collection centres are provided elsewhere in this Disclosure Document.

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 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.

The applicant should mention their 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 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.

Unless the Company specifically agrees in writing with or without such terms or conditions it deems fit, a separate single cheque/ demand draft must accompany each Application Form. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made.

No separate receipts shall be issued for the application money. However, Bankers to the Issue at their Designated Branch(es) receiving the duly completed Application Forms 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 Company only when submitted to Bankers to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.

All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. For further instructions, please read General Instructions along with the Application Form carefully.

### **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.

### **Applications under Power of Attorney**

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

### **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.

### **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 Cirlet 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.

#### **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.

#### **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 for their consideration.

#### **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.

#### **Future Borrowings**

The Company will be entitled to borrow/raise loans or avail of Financial Assistance in whatever form and to issue Debentures/Bonds/other Securities in any manner on such terms and conditions as the Company may think appropriate without any consent of Bondholders under any series.

#### **Purchase/ Sale of Bonds**

The Company may, at any time and from time to time, purchase Bonds at discount, at par or at premium in the open market or otherwise in accordance with the applicable laws. Such Bonds, at the option of the Company, may be cancelled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by law.

#### **Right to Re-issue of Bonds**

Where the Company has redeemed any such Bonds, subject to provisions of Section 121 of The Companies Act, 1956 and other applicable provisions, the Company shall have and shall be deemed always to have had the right to keep such bonds alive for the purpose of re-issue and in exercising such right, the Company shall have and shall be deemed always to have had the power to re-issue such bonds as per the provisions of law either by reissuing the same bonds or by issuing other bonds in their place.

#### **Bond/ Debenture Redemption Reserve (DRR)**

The Company shall create a Bond/Debenture Redemption Reserve in accordance with Section 117 C of the Companies Act, 1956.

#### **Disputes & Governing laws and jurisdiction**

The Bonds shall be construed to be governed in accordance with Indian laws and rules framed there under. The Courts in New Delhi alone shall have exclusive jurisdiction in connection with any dispute/difference between the Company and the Beneficial Owners of Bonds under these presents.

#### **Notices**

The notices to the Beneficial Owners of Bonds required to be given by the Company shall be deemed to have been given if sent by Registered Post/ Speed Post/ Courier/Ordinary Post to the Registered Beneficial Owner of Bonds and /or if an advertisement is given in a newspaper circulating in the neighborhood of the Registered Office of the Company and/ or if communication in this regard has been effected to the depositories.

All notices to be given by the Beneficial Owners of Bonds shall be sent by Registered Post or by Hand Delivery to the Company or such persons, at such address, as may be notified by the Company from time to time.





### **Tax Benefits to the Bondholders 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.

### **COMPLIANCE OFFICER AND COMPANY SECRETARY**

Mr. Vijay Gupta

NHPC Office Complex

Sector - 33, Faridabad 121 003

Haryana, India

Tel: +91 129 227 8421

Fax: +91 129 227 7941

E-mail: companysecretary@nhpc.nic.in

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

### **IX. CREDIT RATING & RATIONALE THEREOF**

The Fitch Ratings India Pvt. Ltd. vide letter dated 07.01.2010 has assigned "AAA" (pronounced "Triple A") rating to the Bonds being issued under the current placement. This rating indicates highest safety with regard to timely payment of interest and principal on the instrument. A copy of the letter dated 07.01.2010 from Fitch Ratings India Pvt. Ltd. is enclosed elsewhere in this Disclosure Document.

Other than the credit ratings mentioned hereinabove, the Company 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.

### **X. NAME OF DEBENTURE TRUSTEE**

In accordance with the provisions of Section 117B of the Companies Act, 1956 (1 of 1956) and Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Company has appointed IDBI Trusteeship Services Limited, 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:

IDBI Trusteeship Services Ltd. ~ Registered Office

Asian Building, Ground Floor 17, R Kamani Marg Mumbai -400 001

Tel No. (022) 40807000

Fax No. 91-22-66311776

E-mail: itsl@idbitrustee.co.in

A copy of letter dated 04.01.2010 from IDBI Trusteeship Services Limited, conveying their consent to act as Trustee for the current issue of Bonds is enclosed elsewhere in this Disclosure Document.

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 117 A of the Companies Act, 1956 and those



mentioned in Schedule IV of the Securities and Exchange Board of India (Debenture 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 Bondholder(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 Bondholder(s) shall discharge the Company pro tanto to the Bondholder(s). The Trustees shall protect the interest of the Bondholders 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 Bondholder 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.

#### **XI. STOCK EXCHANGE WHERE SECURITIES ARE PROPOSED TO BE LISTED**

9.00% Secured Non-Convertible Redeemable Bonds in the nature of Debentures (Series-P) are proposed to be listed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. ("NSE"). The Company has obtained an in-principle approval from the NSE for listing of said Bonds on its Wholesale Debt Market (WDM) Segment. The Company shall make an application to the NSE to list the Bonds to be issued and allotted under this Disclosure Document and complete all the formalities relating to listing of the Bonds within 10 weeks from the date of closure of the Issue. If such permission is not granted within 10 weeks from the date of closure of the Issue or where such permission is refused before the expiry of the 10 weeks from the closure of the Issue, the Company shall forthwith repay without interest, all monies received from the applicants in pursuance of the Disclosure Document, and if such money is not repaid within 8 days after the Company becomes liable to repay it (i.e. from the date of refusal or 10 weeks from the date of closing of the subscription list, whichever is earlier), then the Company and every director of the Company who is an officer in default shall, on and from expiry of 8 days, will be jointly and severally liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under Section 73 of the Companies Act, 1956.

In connection with listing of Bonds with NSE, the Company hereby undertakes that:

- (a) It shall comply with conditions of listing of Bonds as may be specified in the Listing Agreement with NSE.
- (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 NSE.
- (c) Any change in rating shall be promptly disseminated to the holder(s) of the Bonds in such manner as NSE may determine from time to time.
- (d) The Company, the Trustees and NSE 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:
  - i. default by the Company to pay interest on Bonds or redemption amount;
  - ii. revision of rating assigned to the Bonds;
- (f) The information referred to in para (e) above shall also be placed on the websites of the Trustees, Company and NSE.

#### **XII DETAILS OF OTHER BORROWINGS (DETAILS DEBT SECURITIES ISSUED IN THE PAST, PARTICULARS OF DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH OR AT A PREMIUM OR DISCOUNT OR IN PURSUANCE OF AN OPTION, HIGHEST TEN HOLDERS OF EACH CLASS OR KIND OF SECURITIES, DEBT EQUITY RATIO)**



## 1. DETAILS OF BORROWINGS (Rs. Crore) (as on 30th September, 2009)

### A. Foreign Currency Borrowings of our Company:

Set forth below is a brief summary of our significant outstanding foreign currency borrowings of Rs. 3,124.24 crore as of September 30, 2009, together with a brief description of certain significant terms, of such financing arrangements. All our foreign currency borrowings have been sanctioned to us in foreign currencies, however the same have been accounted for in Indian Rupees. All our foreign currency loans are guaranteed by the President of India.

S. No.	Name of Lender(s)	Facility/Loan Documentation	Amount Outstanding (in Rs. crore)	Interest Rate (%) p.a.	Repayment Terms
1.	Japan Bank for International Cooperation*	Term loan of Japanese Yen 1,389 crore vide a loan agreement dated March 31, 2004 for implementation of the Dhauliganga hydroelectric project	651.93	1.30	Repayment in 41 half yearly instalments from March 20, 2014
2.	Through a consortium of:  Deutsche Bank AG, Tokyo <sup>1</sup> ;  HSBC Limited, Tokyo;  ING Bank NV, Tokyo;  Societe Generale, Tokyo;  Standard Chartered Bank, Tokyo; and  State Bank of India, Tokyo.	Term loan of Japanese Yen 1,824 crore vide a loan agreement dated October 18, 2002 for the implementation of the Teesta V project	937.62	0.57 over JPY six month LIBOR	Repayment in 20 half yearly instalments from April 18, 2009
3.	Export Development Corporation, Canada <sup>2</sup>	Term loan up to CAD 17.50 crore vide a loan agreement dated November 4, 1999 for the construction of the	364.79	6.01	Repayment in 24 half yearly instalments from



S. No.	Name of Lender(s)	Facility/Loan Documentation	Amount Outstanding (in Rs. crore)	Interest Rate (%) p.a.	Repayment Terms
		Chamera II power station			September 15, 2004
4.	Japan Bank for International Cooperation*	Term loan of Japanese Yen 1,631.6 crore vide a loan agreement dated December 12, 1997 for the construction of the Dhauliganga II hydroelectric project	796.48	2.30	Repayment in 41 half yearly instalments from December 20, 2007
5.	Japan Bank for International Cooperation*	Term loan of Japanese Yen 566.5 crore vide a loan agreement dated January 25, 1996 for implementation of the Dhauliganga hydroelectric project	216.54	2.30	Repayment in 41 half yearly instalments from January 20, 2006
6.	Nordic Investment Bank	Term loan of SEK 42 crore vide an agreement dated October 31, 1989 for the implementation of the Uri hydroelectric project	36.63	0.15 over the US\$ six month LIBOR	Repayment in 23 half yearly instalments from January 24, 2000
7.	Through a consortium of :  Credit Commercial DE France; and  Nataxis Banques Populaires, Paris.	Term loan of Euro 21.43 crore vide a loan agreement dated September 8, 1989 for the construction of the Dulhasti project	120.25	8.96	Repayment in 17 half yearly instalments from June 30, 2002

\*The loan was taken from Overseas Economic Cooperation Fund, Japan. The name of the bank was subsequently changed to Japan Bank for International Cooperation. Further, as of October 1, 2008, the overseas international cooperation operations of the Japan Bank for International Cooperation was realigned and succeeded by the Japan International Cooperation Agency.

\*\* The outstanding amounts have been calculated in Indian Rupees based on the exchange rates of the respective foreign currencies as on May 31, 2009. For details on exchange rates, see "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.

<sup>1</sup> If the GoI ceases to maintain its shareholdings in or ownership or control (direct or indirect) in the Company without the prior written consent of the lender the same would be considered as an event of default.



<sup>2</sup> No advance shall be made by the Export Development Corporation in respect of goods supplied to our Company from a country other than Canada or in respect of any non-Canadian services without the Export Development Corporation's prior consent.

**B. Bonds Issued by our Company:**

Set forth below is a brief summary of our outstanding bonds as on September 30, 2009 together with a brief description of certain significant terms of such financing arrangements.

The Company has also issued secured non-convertible taxable bonds of a face value of Rs. 10 crore each, aggregating Rs. 570 crore by an information memorandum dated March 27, 2003, which were subsequently listed on the NSE. The current amount outstanding as of June 30, 2009 is Rs. 513.00 crore. The terms of the O Series are as follows:

S. No.	Name of the Trustee	Nature of Bonds	Amount Outstanding (in Rs. crore)	Interest/Coupon Rate (p.a.)	Security	Redemption
1.	Axis Bank Limited <sup>1</sup>	Secured redeemable non-convertible taxable bonds of the face value of Rs. 10,00,00,000	513.00	7.70	A first <i>pari passu</i> mortgage over property situated at unit no 204-K, Keshava, Bandra Kurla Complex, Bandra (East), Mumbai 400 051  A first <i>pari passu</i> mortgage and charge over all the immovable properties and movable plant and machinery of the Uri hydroelectric project	The secured non-convertible taxable Bonds are issued in 10 separately transferable redeemable principal parts each having a face value 1/10 <sup>th</sup> of original face value of Rs. 10,00,00,000 with yearly redemption date starting from March 31, 2009 until March 31, 2018



<sup>1</sup>Formerly, UTI Bank Limited. The beneficial owners of the bonds/trustees shall have a right to appoint and remove nominee(s) on our Board, at any time during the currency of the secured non-onvertible taxable bonds.

**C. Secured Medium Term Loans availed of by our Company:**

Set forth below is a brief summary of our Company's significant outstanding secured medium term borrowings of Rs. 1,336.18 crore as of September 30, 2009 together with a brief description of certain significant terms, of such financing arrangements.

S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. crore)	Interest Rate (%) (p.a.)	Repayment Terms	Security
1.	Indian Bank**	Term loan of Rs. 100 crore vide a term loan agreement dated October 4, 2006	100.00	7.21	Repayable in three yearly instalments from February 27, 2012	<i>Pari passu</i> charge on the fixed assets (except book debts and stores) Chamera-I power station
2.	State Bank of Patiala	Term loan of Rs. 40 crore vide a term loan agreement dated January 9, 2002 and amended vide an agreement dated July 3, 2006	30.00	8.322	Repayable in 20 half yearly instalments of Rs. 2 crore each from July 9, 2007	<i>Pari passu</i> charge on the fixed assets (except book debts and stores) of the Chamera-I power station
3.	Oriental Bank of Commerce	Term loan of Rs. 100 crore vide a term loan agreement dated August 25, 2005	100.00	7.207	Repayable in 10 yearly instalments of Rs.10 crore each from December 27, 2011	<i>Pari passu</i> charge on the fixed assets (except book debts and stores) of the Uri power station



S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. crore)	Interest Rate (%) (p.a.)	Repayment Terms	Security
4.	Syndicate Bank	Term loan of Rs. 183 crore vide a composite hypothecation agreement dated February 23, 2005	146.40	7.207	Repayable in 10 yearly instalments of Rs. 18.30 crore from February 23, 2008	Charge on fixed assets (except book debts and stores) of the Uri power station
5.	Oriental Bank of Commerce	Term loan of Rs. 200 crore vide a term loan agreement dated February 23, 2005	160.00	7.207	Repayable in 10 yearly instalments of Rs. 20 crore each from March 31, 2008	<i>Pari passu</i> charge on the fixed assets (except book debts and stores) of the Uri power station
6.	Canara Bank	Term loan of Rs. 200 crore vide a term loan agreement dated November 10, 2004	160.00	6.86	Repayable in ten yearly instalments of Rs. 20 crore from November 9, 2007	<i>Pari passu</i> charge on the fixed assets (except book debts and stores) on the Uri power station
7.	Canara Bank	Term loan of Rs. 85 crore vide a term loan agreement dated March 25, 2004	68.00	6.75	Repayable in five yearly instalments of Rs.17 crore each from January 30, 2009	<i>Pari passu</i> charge on the fixed assets (except book debts and stores) of the Chamera-I power station
8.	Canara Bank	Term loan of Rs. 50 crore vide a term loan agreement dated June 27, 2002	30.00	9.75	Repayable in four yearly instalments of Rs.10 crore from June 28, 2009	Exclusive charge on all the fixed and moveable assets (except book debts and stores) of the Loktak power station



S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. crore)	Interest Rate (%) (p.a.)	Repayment Terms	Security
9.	Indian Overseas Bank <sup>2</sup>	Term loan of Rs. 50 crore vide a term loan agreement dated December 5, 2001	37.50	9.50	Repayable in four yearly instalments of Rs. 12.50 crore each from December 6, 2008	<i>Pari passu</i> charge on the fixed assets (except book debts and stores) of Chamera-I power station
10.	Housing Development Finance Corporation Limited <sup>1</sup>	Term loan of Rs. 100 crore vide a term loan agreement dated February 21, 2001	57.14	10.00	Repayable in 14 half yearly instalments of Rs. 7.14 crore each from February 13, 2007	<i>Pari passu</i> charge over all the fixed assets (except book debts and stores) of the Chamera-II power station
11.	Punjab & Sind Bank <sup>1</sup>	Term loan of Rs. 100 crore vide a term loan agreement dated July 25, 2000	70.00	10.50	Repayable in 40 quarterly instalments of Rs.2.50 crore each from October 24, 2006	<i>Pari passu</i> charge over all the fixed assets (except book debts and stores) of the Chamera-II power station
12.	State Bank of India <sup>1</sup>	Term loan of Rs. 150 crore vide a term loan agreement dated July 25, 2000	75.00	10.00	Repayable in 14 half yearly instalments of Rs. 10.71 crore each from September 18, 2006	First <i>Pari passu</i> charge over all the fixed assets (except book debts and stores) of the Chamera-II power station





S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. crore)	Interest Rate (%) (p.a.)	Repayment Terms	Security
13.	State Bank of Patiala <sup>1</sup>	Term loan of Rs. 50 crore vide a term loan agreement dated July 25, 2000	28.57	10.75	Repayable in 14 half yearly instalments of Rs. 3.57 crore each with effect from January 30, 2007	First <i>Pari passu</i> charge over all the fixed assets (except book debts and stores) of the Chamera-II power station
14.	Bank of India <sup>1</sup>	Term loan of Rs. 100 crore vide a term loan agreement dated July 25, 2000	70.00	9.75	Repayable in 40 quarterly instalments of Rs. 2.50 crore each from December 24, 2006	First <i>Pari passu</i> charge over all the fixed assets (except book debts and stores) of the Chamera-II power station
15.	State Bank of Hyderabad <sup>1</sup>	Term loan of Rs. 50 crore vide a term loan agreement dated July 25, 2000	28.57	10.25	Repayable in 14 half yearly instalments of Rs. 3.57 crore each beginning January 7, 2007	First <i>Pari passu</i> charge over all the fixed assets (except book debts and stores) of the Chamera-II power station
16.	Punjab National Bank	Term loan of Rs. 150 crore vide a term loan agreement dated June 12, 2000	75.00	8.25	Repayable in 20 half yearly instalments of Rs. 7.50 crore each from October 26, 2004	<i>Pari passu</i> charge over all the fixed assets (except book debts and stores) of the Chamera-II power station



S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. crore)	Interest Rate (%) (p.a.)	Repayment Terms	Security
17.	Central Bank of India	Term loan of Rs. 100 crore, vide a term loan agreement dated June 12, 2000	45.00	9.00	Repayable in 20 half yearly instalments of Rs. 5 crore each from May 2, 2004	First <i>Pari passu</i> charge over all the fixed assets (except book debts and stores) of the Chamera-II power station
18	Indian Bank	Term loan of Rs. 75 crore, vide a term loan agreement dated September 29, 2009	55.00	8.75%	Bullet repayment after 5 <sup>th</sup> Year	<i>Pari passu</i> charge over all the fixed assets (except book debts and stores) of the Loktak power station & Bairasiul Power Station

\*\* The loan was converted into a secured loan vide an agreement dated October 4, 2006.

<sup>1</sup> If the GoI ceases to hold less than 51% of the paid-up share capital of our Company, the same would be considered as an event of default.

<sup>2</sup> In the event our Company does not seek the prior written consent of the lender prior to making any change or in any way altering its capital structure, the same would be considered an event of default. The Indian Overseas Bank vide letter dated June 19, 2008 given its written consent for the change in capital structure of our Company for this Issue.

#### D. Secured Long Term Loans availed of by our Company:

Set forth below is a brief summary of our Company's outstanding secured long term borrowings of Rs. 6,584.91 crore as of September 30, 2009 together with a brief description of certain significant terms, of such financing arrangements.

S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. Crore)	Interest Rate (p.a.)	Repayment Terms	Security
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S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. Crore)	Interest Rate (p.a.)	Repayment Terms	Security
1.	PFC <sup>1</sup>	Loan of Rs. 186 crore vide a Memorandum of Agreement dated March 24, 2008 for the execution of the Teesta V project	167.40	Yield on three years AAA corporate bond plus 50 bps with reset every three years payable monthly.	Repayment on 40 equal quarterly instalments beginning on October 15, 2008	First charge on <i>pari passu</i> basis by way of hypothecation of the movable assets of the Dulhasti power station.
2.	PFC <sup>1</sup>	Loan of Rs. 750 crore vide a Memorandum of Agreement dated March 24, 2008 for the execution of the ongoing Teesta Low Dam Stage IV hydroelectric project	441.00	Yield on three years AAA corporate bond plus 50 bps with reset every three years payable monthly. The three year AAA bond yield will be calculated by taking average of three years' AAA rates in one month preceding the close of its disbursement (excluding holidays).	Repayment on 40 equal quarterly instalments beginning on October 15, 2011	First charge on <i>pari passu</i> basis by way of hypothecation of the movable assets of the Dulhasti power station.
3.	PFC <sup>1</sup>	Loan of Rs. 70 crore vide a Memorandum of Agreement dated March 24, 2008 for the execution of the Chutak hydroelectric project	70.00	Yield on three years AAA corporate bond plus 50 bps with reset every three years payable monthly.	Repayment on 40 equal quarterly instalments beginning on October 15, 2011	First charge on <i>pari passu</i> basis by way of hypothecation of the movable assets of the Dulhasti power station.



S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. Crore)	Interest Rate (p.a.)	Repayment Terms	Security
4.	PFC <sup>1</sup>	Loan of Rs. 500 crore vide a Memorandum of Agreement dated September 17, 2007 for the execution and implementation of the ongoing Teesta Low Dam Project Stage III hydroelectric project	500.00	Yield on three years AAAINBMK corporate bond plus 50 bps with reset every three years payable monthly. The three year AAA bond yield will be calculated by taking average of three years' AAA rates in one month preceding the close of its disbursement (excluding holidays).	Repayment in 40 equal quarterly instalments beginning on January 15, 2010	First <i>pari passu</i> charge by way of hypothecation of the movable assets and mortgage of the immovable assets of the Chamera power station – Stage I



S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. Crore)	Interest Rate (p.a.)	Repayment Terms	Security
5.	PFC <sup>1</sup>	Loan of Rs. 413 crore vide a Memorandum of Agreement dated September 17, 2007 for the execution and implementation of the ongoing Sewa II hydroelectric project	402.68	Yield on three years AAAINBMK corporate bond plus 50 bps with reset every three years payable monthly. The three year AAA bond yield will be calculated by taking average of three years' AAA rates in one month preceding the close of its disbursement (excluding holidays).	Repayment in 40 equal quarterly instalments beginning on July 15, 2009	First <i>pari passu</i> charge by way of hypothecation of the movable assets and mortgage of the immovable assets of the Chamera power station – I



S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. Crore)	Interest Rate (p.a.)	Repayment Terms	Security
6.	PFC <sup>1</sup>	Loan of Rs. 2,087 crore vide a Memorandum of Agreement dated September 17, 2007 for the execution and implementation of the Parbati Stage II hydroelectric project	712.00	Yield on three years AAAINBMK corporate bond plus 50 bps with reset every three years payable monthly. The three year AAA bond yield will be calculated by taking average of three years' AAA rates in one month preceding the close of its disbursement (excluding holidays).	Repayment in 40 equal quarterly instalments beginning on July 15, 2011	First <i>pari passu</i> charge by way of hypothecation of the movable assets and mortgage of the immovable assets of the Chamera power station – Stage II and Uri I power station.
7.	LIC <sup>3 (a)(b)</sup> 2 (b)(c)	Non-renewable line of credit of Rs. 6,500 crore vide a line of credit agreement dated February 17, 2005, for meeting fund requirement of constructions duly approved by the GoI, future joint venture projects, paying of high cost debt, for survey and	1,896.00	8.00% on the first tranche Rs. 11 crore repayable 8.43% on the second tranche of Rs. 85 crore repayable 8.65% on the third tranche of Rs. 50 crore repayable 9.53% on the fourth tranche of Rs. 35 crore repayable	Repayable in 24 half yearly instalments from April 30, 2012	Hypothecation of the moveable assets of the Company's Subansiri Lower hydroelectric project, the Teesta III Low Dam hydroelectric project and Teesta V power station and a mortgage on



S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. Crore)	Interest Rate (p.a.)	Repayment Terms	Security
		investigation projects and for any other purpose.		9.11% on the fifth tranche of Rs. 115 crore repayable.		the fixed assets of the Teesta III Low Dam hydroelectric project and Teesta V power station
				9.15% on the sixth tranche of Rs. 50 crore repayable.		
				9.11% on the seventh tranche of Rs. 467 crore repayable.		
				8.88% on the eight tranche of Rs. 483 crore repayable.		
				8.78% on the ninth tranche of Rs. 200 crore repayable.		
				9.78% on the tenth tranche of Rs. 400 crore repayable.		
8	LIC <sup>2</sup> (a)(b)(c)	Non-renewable line of credit of Rs. 2,500 crore vide a line of	2,395.83	9.25% on the first tranche of Rs. 100 crore repayable	Repayable in 24 half yearly instalments	First mortgage and charge on all the moveable and



S. No.	Name of Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. Crore)	Interest Rate (p.a.)	Repayment Terms	Security
		credit agreement dated February 14, 2003 for meeting part of capital expenditure of hydro electric projects being and/or to be implemented by our Company all over India during the period of the facility.		8% being payable on the remaining Rs. 2,400 crore repayable	from April 15, 2009	immovable assets, both present and future, of the Company's Parbati II hydroelectric project and the Dhauliganga power station

<sup>1</sup> Our Company has undertaken to maintain an asset value of at least 1.1 times the loan amount. Also, our Company shall not transfer or abandon the project at any stage without the written consent of PFC.

<sup>2(a)</sup> Our Company undertakes to maintain:

- a ratio of debt to net worth, which does not exceed 2:1
- an interest coverage ratio of more than 1.5 times

Further, our Company undertakes to maintain security coverage ratio of 1.25 times of the outstanding principal at all times during the currency of the facility. In the event of default, the lender shall be entitled to the right to review the management setup or organisation of our Company and to require our Company to restructure it as it may consider necessary, including the formation of management committees, with such powers and functions as maybe considered suitable. The lender shall also be authorised to appoint its representatives on various committees. In the event of default, our Company further undertakes not to, without the prior written permission of the lender, amend its Memorandum or Articles of Association.

<sup>(b)</sup> Our Company shall not without prior intimation to the lender, undertake any new project, diversification, modernisation or expansion of its existing projects. Our Company shall not create any subsidiaries or permit any company to become its subsidiary except with the prior intimation the lender. In the event, the Government's equity in our Company falls below 51%, the same shall be considered an event of default.

<sup>(c)</sup> A fall in credit rating below AA+ and deterioration in financial strength measured by mutually agreed financial ratios, would be considered an event of default.

<sup>3(a)</sup> Our Company has undertaken to maintain the following financial covenants:

- a ratio of debt to net worth does not exceed 2:1 at any point of time
- an interest coverage ratio of more than two times.

Further, Our Company has also undertaken to maintain a security coverage ratio of 1.33 times of the outstanding principal at all times during the currency of the facility.





*A fall in credit rating below A and deterioration in financial strength measured by mutually agreed financial ratios would be considered an event of default.*

**E. Unsecured Long Term Subordinate Debts availed of by our Company:**

Set forth below is the brief summary of our Company's outstanding unsecured long term subordinate debt of Rs. 34 crore as of September 30, 2009.

S. No.	Name of the Lender	Facility/Loan Documentation	Amount Outstanding (in Rs. crore)	Interest/Coupon Rate (p.a.)	Repayment Terms
1.	GoI, MoP	Subordinate debt of Rs. 270 crore for our Nimoo Bazgo project	34.00	4.00	Repayment w.e.f. the 12 <sup>th</sup> year after commissioning of the project till the 29 <sup>th</sup> year.
2.	GoI, MoP	Subordinate debt of Rs. 364 crore for our Chutak project	N.A.*	2.50	Repayment w.e.f. the 6 <sup>th</sup> year after commissioning of the project till the 29 <sup>th</sup> year.
3.	GoI, MoP	Subordinate debt of Rs. 2,380.44 crore for our Kishanganga project	N.A.*	1.00	Repayment w.e.f. the 11 <sup>th</sup> year after commissioning of the project till the 20 <sup>th</sup> year.

\* There has been no drawdown under this sanction as of September 30, 2009

**F. Unsecured Short Term Loan availed of by our Company:**

Set forth below is the brief summary of our Company's outstanding unsecured short term loans of Rs. 500.00 crore as of September 30, 2009.

S. No.	Name of the Lender(s)	Facility/Loan Documentation	Amount Outstanding (in Rs. crore)	Interest/Coupon Rate (p.a.)	Repayment Terms
1.	Indian Overseas Bank	Short term loan of Rs. 300 crore through a demand promissory note dated September 23, 2009.	300.00	5.95	Bullet repayment after expiry of 90 days.
2.	Indian Overseas Bank	Short term loan of Rs. 200 crore through a demand	200.00	5.95	Bullet repayment after expiry of 90 days.



S. No.	Name of the Lender(s)	Facility/Loan Documentation	Amount Outstanding (in Rs. crore)	Interest/Coupon Rate (p.a.)	Repayment Terms
		promissory note dated September 26, 2009.			

## 2. DEBT EQUITY RATIO

(Rs in Crores)

Particulars	Pre-issue (as on 30 <sup>th</sup> September 2009)
<b>Debt</b>	
Secured	8434.09
Unsecured	3658.24
<b>Total Debt</b>	<b>12092.33</b>
<b>Shareholders funds</b>	
Share Capital	12300.74
Reserves & Surplus (excluding Revaluation Reserves)	10788.14
Advance Against Depreciation	1325.02
<b>Net Worth</b>	<b>24413.90</b>
<b>DEBT EQUITY RATIO</b>	<b>0.495</b>

## 3. TOP 10 EQUITY SHAREHOLDERS (as on 31/12/2009)

Sr. No.	Name of the Shareholder	Number of Shares held	% of holding
1	President of India	10623368158	86.363631%
2	Life Insurance Corporation of India Ltd.	555612724	0.452109%
3	State Bank Of India (Equity)	43123181	0.350574%
4	Uco Bank	31839914	0.258845%
5	Rhodes Diversified	31466696	0.255811%
6	ICICI Bank Ltd.	26536693	0.215732%
7	PCA India Infrastructure Equity open Ltd.	25504784	0.207343%
8	ICICI Prudential Infrastructure Fund	23343697	0.189775%



9	International opportunities Portfolio Management Ltd.	22901623	0.186181%
10	Emerging India Focus Funds	20229393	0.171638%
<b>Total</b>		<b>10903926863</b>	<b>89.00%</b>

#### 4. TOP 10 HOLDERS OF BONDS (O-Series as on 31.12.2009)

Sr. No.	Name of the Bondholder	Number of Bonds held	% of holding
1	General Insurance Corp. of India	65	11.40%
2	CBI EPF A/c HSBE AMC Ltd.	52	9.12%
3	The New India Assurance Co. Ltd.	25	4.39%
4	ICICI Prudential Life Insurance Co. Ltd.	15	2.63%
5	CBI EPF A/c ICICI Prudential AMC Ltd.	15	2.63%
6	ICICI Prudential Life Insurance Co. Ltd.	10	1.75%
7	SBI Life Insurance Co. Ltd.	10	1.75%
8	BOI PF	10	1.75%
9	United Insurance Co. Ltd.	10	1.75%
10	PNB Employee Pension Fund	10	1.75%
11	PNB Employees PF	10	1.75%
12	The Pearlless General Finance & Investment Co. Ltd.	10	1.75%
<b>Total</b>		<b>242</b>	<b>42.42%</b>

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

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.

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

The Company hereby confirms that:

a) The main constituents of the Company's borrowings have been in the form of borrowings from Banks and Financial Institutions, Bonds etc.



b) 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.

c) 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.

#### **XIV. UNDERTAKING REGARDING 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.

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

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

#### **XVI. PERMISSIONI CONSENT FROM PRIOR CREDITORS**

The Company hereby confirms that it is entitled to raise money through current issue of Bonds without the consent/ permission/ approval from the Bondholders/ Trustees/ Lenders/ other creditors of the Company. The Company will take consent from the existing charge holders for creation of security for the Bonds on pari passu basis. In future, the Trustees shall provide consent to create pari-passu charge subject to Company's complying with the requisite terms of the Bonds issued.

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

By very nature and volume of its business, the Company 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 Company. 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 Company) which are or may be deemed to be material have been entered into by the Company. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Corporate Office of the Company 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 M/s RCMC Share Registry Private Limited as Registrar and Transfer Agent.
- b. Copy of letter appointing IDBI Trusteeship Services Limited, as Trustee to the Bondholders.

##### **B. DOCUMENTS**

- a. Memorandum and Articles of Association of the Company as amended from time to time.
- b. Board Resolution dated December 16'2009 authorizing issue of Bonds offered under terms of this Disclosure Document.



- c. Letter of consent from IDBI Trusteeship Services Limited for acting as Trustee for and on behalf of the holder(s) of the Bonds.
- d. Letter of consent dated 05.01.2010 from M/s RCMC Share Registry Private Limited for acting as Registrars to the Issue.
- e. Copy of application made to the NSE for grant of in-principle approval for listing of Bonds.
- f. Letter from NSE conveying its in-principle approval for listing of Bonds.
- g. Letter dated 07.01.2010 from FITCH conveying the credit rating for the Bonds of the Company and the rating rationale pertaining thereto.
- h. Tripartite Agreement between the NHPC, NSDL and M/s RCMC Share Registry Private Limited for issue of Bonds in dematerialised form.
- i. Tripartite Agreement between the NHPC, CDSL and M/s RCMC Share Registry Private Limited for issue of Bonds in dematerialised form.

Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the Bondholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

#### **XVIII. DECLARATION**

It is hereby declared that this Disclosure Document contains full disclosures 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.

The Company also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Company accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

Signed pursuant to the authority granted by Board of Directors of the Company at their meetings held on 16.12.2009.

for NHPC Ltd.

-sd/-

(R.K. Taneja)

Executive Director (Finance)

Place: Faridabad

Date :11.01.2010