



(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)

Tel: (0129) 2272 803, 2271 378, 2250 437 Fax (0129) 2270902

Website: [www.nhpcindia.com](http://www.nhpcindia.com)

E-mail: [companysecretary@nhpc.nic.in](mailto:companysecretary@nhpc.nic.in), [nhpcbondsection@gmail.com](mailto:nhpcbondsection@gmail.com)

(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 9.25% SECURED NON-CUMULATIVE NON CONVERTIBLE REDEEMABLE TAXABLE BONDS (Q SERIES) IN THE NATURE OF DEBENTURES OF RS. 12.00 LAKHS EACH FOR CASH AT PAR AGGREGATING TO RS 498.00 CRORE WITH GREEN SHOE OPTION OF RS 768.00 CRORE**

**ISSUE OPENS: MARCH 5<sup>TH</sup>, 2012**

**ISSUE CLOSES: MARCH 6<sup>TH</sup>, 2012**

## **LISTING**

The Bonds are proposed to be listed on WDM Segment of National Stock Exchange.

## **TRUSTEES FOR THE BONDHOLDERS**

**IDBI Trusteeship Services Limited**  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai-400 001  
Tel No: (022) 4080 7000  
Fax No. 91-22-6631 1776  
E-mail: [itsl@idbitrustee.co.in](mailto:itsl@idbitrustee.co.in)

## **REGISTRAR TO THE ISSUE**

**RCMC Share Registry Pvt. Ltd.**  
Corporate Office,  
Ground Floor, B-106,  
Sector-2, Noida-201301,UP  
Tel No: (0120) 4015 800  
Fax No. 91-120-2444 346  
E-mail: [shares@rcmdelhi.com](mailto:shares@rcmdelhi.com)

## **ARRANGERS TO THE ISSUE**

| Sl. No. | Name of Merchant Banker / Arranger | Sl. No. | Name of Merchant Banker / Arranger      |
|---------|------------------------------------|---------|---|
| 1       | Kotak Mahindra Bank Ltd            | 7       | Trust Investment Advisors Pvt Ltd       |
| 2       | SBI Capital Markets Ltd            | 8       | IDFC Ltd                                |
| 3       | Yes Bank Ltd                       | 9       | ICICI Securities Primary Dealership Ltd |
| 4       | ICICI Bank Ltd                     | 10      | Edelweiss Financial Services            |
| 5       | A K Capital Services Ltd           | 11      | Darashaw & Co. Pvt Ltd                  |
| 6       | Axis Bank Ltd                      | 12      | Deutsche Bank AG                        |



**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.**

**The contents of this Disclosure Document for private placement are not transferrable and are intended to be used by the parties to whom it is distributed. It is not intended for distribution to any other person and should not be copied / reproduced by the recipient for any person whatsoever.**

**The information contained in this document has certain forward looking statements. Actual result may vary materially from those expressed or implied, depending upon economic conditions, government policies and other factors. Any opinion expressed is given in good faith but is subject to change without notice. No liability is accepted whatsoever for any direct or consequential loss arising from the use of the document.**

**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>Term</b>                             | <b>Description</b>  |
|---|---|
| Articles of Association or Articles     | The articles of association of the Company, as amended from time to time  |
| Auditors                                | The Joint Statutory Auditors of the Company are<br>1. M/s S. N. Nanda & Co., New Delhi<br>2. M/s Baweja & Kaul, Jammu Tawi / New Delhi<br>3. M/s Singhi & Co., Kolkata<br>4. M/s Tiwari & Associates, New Delhi |
| Board or Board of Directors             | The Board of Directors of the Company   |
| Directors                               | The Directors of the Company  |
| Memorandum of Association or Memorandum | The memorandum of association of the 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 the Company, which, as at the date of this Disclosure Document, is located at NHPC Office Complex, Sector - 33, Faridabad 121 003, Haryana, India                                      |

### Conventional and General Terms

| <b>Term</b>                  | <b>Description</b>  |
|------------------------------|---|
| Act or Companies Act         | The Companies Act, 1956   |
| BSE                          | The Bombay Stock Exchange Limited   |
| CAD                          | Canadian Dollar   |
| CDSL                         | Central Depository Services (India) Limited   |
| Crore                        | 10 million  |
| CSR                          | Corporate Social Responsibility   |
| Depositories                 | NSDL and CDSL   |
| Depositories Act             | The Depositories Act, 1996  |
| Depository Participant or DP | A depository participant as defined under the Depositories Act  |
| DIN                          | Director Identification Number  |
| 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 |
| Financial Year/Fiscal/FY     | Period of 12 months ended March 31 of that particular year  |
| GoI                          | Government of India   |
| HUF                          | Hindu Undivided Family  |
| JPY                          | Japanese Yen  |
| LIC                          | Life Insurance Corporation of India   |
| MoA                          | Memorandum of Agreement   |
| MoU                          | Memorandum of Understanding   |



| <b>Term</b>              | <b>Description</b>   |
|--------------------------|--|
| NEFT                     | National Electronic Fund Transfer                          |
| NSDL                     | National Securities Depository Limited                     |
| NSE                      | The National Stock Exchange of India Limited               |
| O&M                      | Operation and Maintenance                                  |
| PAN                      | Permanent Account Number allotted under the I.T. Act       |
| PTC                      | PTC India Limited  |
| RBI                      | The Reserve Bank of India                                  |
| RoC                      | The Registrar of Companies, NCT of Delhi and Haryana       |
| Rs.                      | Indian Rupees  |
| RTGS                     | Real Time Gross Settlement                                 |
| SEBI Act                 | Securities and Exchange Board of India Act, 1992           |
| SEBI Guidelines          | SEBI (Disclosure and Investor Protection) Guidelines, 2000 |
| Supreme Court            | Supreme Court of India                                     |
| US\$ or USD or US Dollar | U.S Dollar   |
| w.e.f                    | With effect from   |

#### Technical and Industry-Related Terms

| <b>Term</b>                   | <b>Description</b>   |
|-------------------------------|--|
| AFC                           | Annual Fixed Cost  |
| Bonds                         | 9.25% Secured Non-Convertible Non Cumulative Redeemable Taxable Bonds (Q-Series) in the nature of Debentures of Rs 12.00 Lakhs 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  |
| CEA                           | Central Electricity Authority  |
| 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  |
| Disclosure Document           | Disclosure Document dated March 6, 2012 for Private Placement of 9.25% Secured Non-Convertible Non Cumulative Taxable Redeemable Bonds (Q-Series) in the nature of Debentures of Rs 12.00 Lakhs each for cash at par aggregating to Rs 498.00 Crore with Green Shoe Option of Rs 768.00 Crores |
| DPE                           | Department of Public Enterprises   |
| DPR                           | Detailed Project Report  |
| DRR                           | Debenture Redemption Reserve   |



| <b>Term</b>                           | <b>Description</b>   |
|---------------------------------------|--|
| Issuer/NHPC/Corporation /Company      | NHPC Ltd.  |
| MoEF                                  | Ministry of Environment and Forest, Government of India  |
| MU                                    | Million Units  |
| MW                                    | Mega Watt  |
| PFC                                   | Power Finance Corporation Limited  |
| PGCIL                                 | Power Grid Corporation of India Limited  |
| PPA                                   | Power Purchase Agreement   |
| REC                                   | Rural Electrification Corporation Limited  |
| 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   |
| SERC                                  | State Electricity Regulatory Commission  |
| The issue/The offer/Private Placement | Private Placement of 9.25% Secured Non-Convertible Non Cumulative Taxable Redeemable Bonds (Q-Series) in the nature of Debentures of Rs 12.00 Lakhs each for cash at par aggregating to Rs 498.00 Crore with Green Shoe Option of Rs 768.00 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   |



## **II AUTHORITY TO THE ISSUE**

The present issue of bonds is being made pursuant to the resolutions passed under Section 293(1)(a) & 293(1)(d) of the Companies Act, 1956 by the Members of the Company where the overall borrowing limit of NHPC was approved at Rs. 26,000 crore w.e.f. 15<sup>th</sup> September, 2004. It is in line of the resolutions passed by Board of Directors of NHPC in its 338<sup>th</sup> meeting held on 28.10.2011 & 343<sup>rd</sup> meeting held on 15.02.2012. The proposed borrowing is within the overall borrowing limits of NHPC.

## **III DISCLAIMERS**

### **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.

### **DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA**

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

### **DISCLAIMER OF THE ISSUER**

The Issuer confirms that the information contained in this Disclosure Document is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the Issue and the Company has been made available in this Disclosure Document for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Company accepts no responsibility for statements made otherwise than in this Disclosure Document or any other material issued by or at the instance of the Issuer and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.



## **DISCLAIMER OF THE STOCK EXCHANGE**

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

## **DISCLAIMER BY THE ARRANGERS**

It is advised that the NHPC has exercised self due- diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Arrangers in the assignment is confined to marketing and placement of the bonds on the basis of this Disclosure Document as prescribed by the NHPC. The Arrangers have neither scrutinized/vetted nor have they done any due-diligence for verification of the contents of this Disclosure Document. The Arrangers shall use this document for the purpose of soliciting subscription from the various investors in the bonds to be issued by the NHPC on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Arrangers should not in any way be deemed or construed that the document has been prepared, cleared, approved, or vetted by the Arrangers, nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the NHPC. The Arrangers or any of its directors, employees affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.





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

|                    |  |
|--------------------|--|
| Name of the issuer | NHPC Limited   |
| Registered office  | NHPC Office Complex<br>Sector - 33, Faridabad 121 003<br>Haryana, India  |
| Telephone Number   | +91 129 227 8421/2/3   |
| Fax Number         | +91 129 227 8018   |
| Website            | <a href="http://www.nhpcindia.com">www.nhpcindia.com</a>   |
| E-mail             | <a href="mailto:companysecretary@nhpc.nic.in">companysecretary@nhpc.nic.in</a><br><a href="mailto:nhpcbondsection@gmail.com">nhpcbondsection@gmail.com</a> |

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

The composition of Board of directors of the company as on 31.01.2012 of this Disclosure Document is as under:

| Sl. No. | Name                  | Designation                 | Address   |
|---------|-----------------------|-----------------------------|---|
| 1       | Mr. A.B.L. Srivastava | Director (Finance) & CMD    | C - 301, Stellar Park, C - 58/24, Sector -62, Gautam Budha Nagar, Noida – 201301 (UP)                   |
| 2       | Mr. D.P. Bhargava     | Director (Technical)        | House No. 176, Sector 30, Faridabad – 121003 (Haryana)  |
| 3       | Mr. J.K. Sharma       | Director (Projects)         | House No. 915, Sector 28, Faridabad – 121003 (Haryana)  |
| 4       | Mr. R.S. Mina         | Director (Personnel)        | 6081/1, Sector D-6, Vasant Kunj, New Delhi – 110070   |
| 5       | Mr. G. Sai Prasad     | Government Nominee Director | House No. B-2, Block-2, 2nd Floor, New Moti Bagh, New Delhi   |
| 6       | Mr. A. S. Bakshi      | Government Nominee Director | WZ-13A, Sant Pura, P.O. Tilak Nagar, New Delhi - 110018   |
| 7       | Mr. A. Gopalakrishnan | Independent Director        | 3C, Skyline Topaz, Kaloor Kadavanthra Road, Kochi – 682020  |
| 8       | Mr. G. S. VEDI        | Independent Director        | A-287, Vikaspuri, New Delhi – 110018  |
| 9       | Mr. A. K. Mago        | Independent Director        | 40, Pushpanjali, Vikas Marg Extension, Delhi – 110092   |
| 10      | Mr. R. Jeyaseelan     | Independent Director        | C/o Dr. S. Jeyaseelan, House No. 5, Senior Doctors' Residence, Holy Family Hospital, New Delhi - 110025 |



## **VI. 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 14 hydroelectric power stations and our current total installed capacity is 5,295 MW. Our current total generating capacity, including those of subsidiaries and taking into account the downgrade of capacity ratings of Tanakpur Power Station is 5,269.2 MW. 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 18,500.30 MUs and 3,196.65 MUs of electricity, respectively, in Fiscal 2011. In Fiscal 2011, our Company and our Subsidiary sold 16,293.32 MUs and 3188.70 MUs of electricity, respectively.

We are presently engaged in the construction of 10 additional hydroelectric projects, which are expected to increase our total installed capacity by 4,502 MW. We are awaiting government sanction for a further five projects with an anticipated capacity of 5,115 MW. In addition, we are awaiting government sanction for certain joint venture projects with an anticipated capacity of 3,686 MW. Survey and investigation works are being carried out to prepare project proposal reports for seven additional projects, totaling 2,485 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. The Company has been actively pursuing business development and has entered into various agreements for expanding its business portfolio. NHPC is keen to harness the hydropower potential in the states through joint venture. The company has been actively pursuing business development and has entered into various arrangements for expanding the business portfolio. Eight projects, totaling 4006 MW of power, are to be implemented as Joint Ventures. A Joint Venture Company, the Loktak Downstream Hydroelectric Corporation Limited, has been incorporated for executing the 66 MW Loktak Downstream Project in Manipur with 74% shareholding by NHPC and 26% by the Government of Manipur. Another Joint Venture Company, Chenab Valley Power Projects (Pvt) Ltd., has been formed in which NHPC, JKSPDC and PTC are partners in 49:49:2 basis for taking up three projects totaling 2,120 MW in the Chenab River basin in Jammu and Kashmir. The Promoters' Agreement for implementation of Tipaimukh HE (Multipurpose) Project (1500 MW) in Manipur has been signed on 22.10.2011 with shareholding of NHPC, SJVNL & Govt. of Manipur being 69%, 26% & 5% respectively. Process of formation of the Joint Venture Company is underway. NHPC has signed one more MOU for a joint venture with OHPC and the Government of Orissa to implement three hydroelectric projects – Sindol I, II & III, with a total



capacity of 320 MW on the Mahanadi River, downstream of the Hirakud Dam in Orissa. The shareholding of the JVC will be 51:49 between NHPC & OHPC.

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 2009, 2010 and 2011, we generated total income of Rs. 3,261.49 crores, Rs. 4,812.02 crores and Rs. 4,932.11 crores, respectively, and net profit of Rs. 1,075.22 crores, Rs. 2,090.50 crores and Rs. 2,166.67 crores, respectively. In Fiscal 2011, our average selling price of electricity was Rs. 2.45 per unit. In Fiscal 2011, we derived Rs. 4,046.59 crore or 82.05% of our audited total income from the sale of energy to SEBs and their successor entities, pursuant to long term power purchase agreements. In Fiscal 2012, based on Unaudited Financial Statements upto 31.12.2011, the total income was Rs. 5,046.26 crores and the net profit for the period was Rs. 1,969.70 crores. In this period, we derived Rs. 4,124.08 crores or 81.73% of our total income from sale of energy.

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 2009, 2010 and 2011 were 93.61%, 84.10% and 85.20% respectively. For Fiscal 2012, the cumulative Plant Availability Factor (PAF) upto 31.12.2011 was 86.6%. 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 2009-Fiscal 2014 entitled us to certain incentive payments.

We have obtained BS OHSAS 18001:2007, ISO 9001:2008, ISO 14001:2004 and PAS 99: 2006 certifications from the BSI Management Systems, all of which are valid until July 25, 2014. 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, “Excellent” in Fiscal 2008, “Very Good” in Fiscal 2009 & 2010 and “Excellent” in 2011. 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 the Initial Public Offer held 100% of the issued and paid-up Equity Share capital of our Company. After the Issue, the President of India still holds 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 14 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**

Most of the output from our installed capacity is 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 2011, we derived Rs. 4,964.99 crore or 83.43% of our 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 2012 (upto 31.12.2011), our Company (excluding generation from subsidiaries) has achieved actual generation of 16262 MU of electricity and the cumulative Plant Availability Factor (PAF) of 86.6%, 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 2009-Fiscal 2014, 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. Our Company has 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 10 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 4,502 MW. We are awaiting government sanction for a further five projects with an anticipated capacity of 5,115 MW. In addition, we are awaiting government sanction for certain joint venture projects with an anticipated capacity of 3,620 MW. Survey and investigation works are being carried out to prepare project proposal reports for seven additional projects, totaling 2,485 MW of anticipated capacity.

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

NHPC is providing consultancy services in the following fields of hydro power – river basin services, survey work, design and engineering, geological and geotechnical studies, hydraulic transient studies, hydrological studies, contract management, construction management, equipment planning, underground construction, testing, commissioning and operation and maintenance.



The major consultancy assignments undertaken by NHPC include assignments from Central and State Government agencies like State Electricity Boards and Public Sector Undertakings.

We aim to continue to deliver advisory services to clients and government entities in India and abroad. Our consultancy services are registered with the international financial agencies and the Central Water Commission as a Consultant in the area of hydro power.

### **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.

NHPC was entrusted with the work of preparing DPRs of Chamkharchhu-I H.E. Project (670 MW) and the Kuri Gongri H.E. Project (1800 MW) in Bhutan by the Ministry of Power.

In March 2010, an agreement was signed between NHPC and the Department of Energy, Royal Government of Bhutan for providing engineering consultancy services for pre-construction activities at the Mangdechhu H.E. Project (720 MW) in Bhutan.

Further, NHPC has undertaken the additional investigations and preparation of updated DPRs for the 1200 MW Tamanthi and the 642 MW Shwezaye hydro power and multipurpose projects in Myanmar, as a consultancy assignment with the Ministry of External Affairs (MEA), Government of India.

NHPC has also been assigned the work of RMU of Varzob-I H.E. Project under a tripartite agreement signed between MEA, BHEL & NHPC.

### **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 2012<br>(Upto<br>31.12.2011) | Fiscal<br>2011 | Fiscal 2010    | Fiscal 2009    |
|--|-------------------------------------|----------------|----------------|----------------|
| Sales (Net)  | 4124.08                             | 4046.59        | 4153.21        | 2671.85        |
| Revenue from Contracts,<br>Project Management and<br>Consultancy Works | 86.95                               | 178.66         | 113.08         | 48.97          |
| Interest on Power Bonds  | 77.93                               | 123.88         | 145.68         | 167.48         |
| Other Income   | 757.30                              | 582.98         | 400.05         | 373.19         |
| <b>Total</b>   | <b>5046.26</b>                      | <b>4932.11</b> | <b>4812.02</b> | <b>3261.49</b> |

## 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 2011 from Sale of Power (Rs. In crore) |
|---------------|------------------|-------------------------|-----------------------|--|
| Baira Siul    | Himachal Pradesh | 180                     | 1981                  | 104.11   |
| Loktak        | Manipur          | 105                     | 1983                  | 96.52  |
| Salal         | Jammu & Kashmir  | 690                     | 1987/1996             | 279.84   |
| Tanakpur (1)  | Uttarakhand      | 120                     | 1992                  | 91.12  |
| Chamera I     | Himachal Pradesh | 540                     | 1994                  | 368.77   |
| Uri I         | Jammu & Kashmir  | 480                     | 1997                  | 515.79   |
| Rangit        | Sikkim           | 60                      | 1999                  | 110.33   |
| Chamera II    | Himachal Pradesh | 300                     | 2004                  | 385.03   |
| Dhauliganga I | Uttarakhand      | 280                     | 2005                  | 311.62   |





| Power Station                       | State           | Installed Capacity (MW) | Year of Commissioning | Revenue Generated in Fiscal 2011 from Sale of Power (Rs. In crore) |
|-------------------------------------|-----------------|-------------------------|-----------------------|--|
| Dulhasti                            | Jammu & Kashmir | 390                     | 2007                  | 1062.05  |
| Teesta V                            | Sikkim          | 510                     | 2008                  | 537.75   |
| Sewa II                             | Jammu & Kashmir | 120                     | 2010                  | 183.66   |
| <b>Total</b>                        |                 | <b>3,775</b>            |                       | <b>4046.59</b>   |
| <b>Completed Projects with NHDC</b> |                 |                         |                       |  |
| Indira Sagar                        | Madhya Pradesh  | 1,000                   | 2005                  | 588.39   |
| Omkareshwar                         | Madhya Pradesh  | 520                     | 2007                  | 330.01   |
| <b>Total</b>                        |                 | <b>1,520</b>            |                       | <b>918.40</b>  |
| <b>Grand Total</b>                  |                 | <b>5,295</b>            |                       | <b>4964.99</b>   |

Note:

- (1) 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) |
|------------------------|-------------------------|----------------------------------|---|
| 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>4,502</b>                     | <b>22,344.51</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                              |
| Dibang(2)   | Arunachal Pradesh | 3,000                            |
| Teesta IV   | Sikkim            | 520                              |
| Tawang I  | Arunachal Pradesh | 600                              |
| Tawang II   | Arunachal Pradesh | 800                              |
| <b>Total (A)</b>  |                   | <b>5,115</b>                     |
| <b>Joint Venture Projects</b>   |                   |                                  |
| Loktak Downstream   | Manipur           | 66                               |
| Pakal Dul and other hydroelectric projects in the Chenab River Basin(3) | Jammu & Kashmir   | 2,120                            |
| Tapaimukh   | Manipur           | 1,500                            |
| <b>Total (B)</b>  |                   | <b>3,686</b>                     |
| <b>Grand Total (A + B)</b>  |                   | <b>8,801</b>                     |

- 1) MOEF vide letter dated 13.10.2011 accorded Stage I Forest Clearance. CEA has extended the validity of concurrence till 02.10.2012. Material for PIB is under preparation.
- 2) The forest proposal of Dibang Multipurpose Project has been submitted by State Govt. to MoEF for forest clearance. NHPC had created a Task Force for facilitating the conductance of public hearing at the earliest.
- 3) Supreme Court, vide its order dated 06.02.2010, has granted permission for implementation of Pakal Dul H. E Project subject to compliance of conditions imposed by the National Board of Wild Life (NBWL) and Central Empowered Committee (CEC).

### 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                    |                         |
| Bursar                    | Jammu & Kashmir | 1,020                  |                         |
| Dhauliganga Intermediate* | Uttarakhand     | 210                    |                         |
| Goriganga IIIA*           | Uttarakhand     | 120                    |                         |
| <b>Total</b>              |                 | <b>2,485</b>           |                         |

\*: Implementation Agreement between NHPC and Govt. of Uttarakhand for two projects namely Dhauliganga Intermediate (210 MW) and Goriganga IIIA (120 MW) in Uttarakhand is under process.

### **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.

We aim to continue to deliver advisory services to clients and government entities in India and abroad. Our consultancy services are registered with the international financial agencies and the Central Water Commission as a Consultant in the area of hydro power.

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**

NHPC is providing consultancy services in the following fields of hydro power – river basin services, survey work, design and engineering, geological and geotechnical studies, hydraulic transient studies, hydrological studies, contract management, construction management, equipment planning, underground construction, testing, commissioning and operation and maintenance.

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 84 consulting assignments and as at December 31, 2011 we have 18 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/<br>Proposed Total<br>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 | <p>We implement rural electrification works under the Rajiv Gandhi Grameen Vidyutikaran Yojna (RGGVY) 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 of West Bengal, Bihar, Jammu &amp; Kashmir, Chhatisgarh and Odisha at an estimated cost of Rs. 2900 crores.</p> <p>The scope of work includes electrification of 29241 villages (9310 unelectrified / de-electrified (UE/DE) and 19931 partially electrified (PE) villages) and providing service connections to 20.37 lakhs BPL households. NHPC is also executing 66 KV transmission line in the Leh and Kargil districts of Jammu and Kashmir under RGGVY.</p> <p>During 2011-12, NHPC has electrified 285 UE/DE villages and provided connections to 0.92 lakh BPL households.</p> |



| Client                             | Services Rendered  |
|------------------------------------|--|
|                                    | As on 31.12.2011, the cumulative achievements for UE/DE villages, PE villages and BPL connections was 8917, 15842 and 17.2 lakhs respectively with a cost of Rs. 1864.10 crores.   |
| Ministry of Rural Development, GoI | NHPC has signed a MOU with the Ministry of Rural Development, Government of India and the Government of Bihar for constructing rural roads under the Pradhan Mantri Gram Sadak Yojna (PMGSY). These roads in six districts of Bihar will also be maintained by NHPC.<br>Under this scheme, 763 roads of 3248.18 km with a cost of Rs. 1767 crore have been cleared by Ministry of Rural Development, GoI.<br>As on 31.12.2011, 504 roads of 2135.77 km (full length) with a cost of Rs. 1138.68 crores have so far 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 Control Period (CP) 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 is in contrast to the tariff regimen in place for Control Period 2005 – 2009 in which additional energy charges were recovered when declared 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 2011, we derived Rs. 4964.99 crores or 83.43% of our 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 issued by the GoI from time to time as required by the tariff policy issued by CERC. 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. As per the guidelines of MoP, GOI, we are not permitted to offer this contracted capacity to any third person for the duration of such MoUs.

The term of validity 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 charged and the conditions for the supply of energy, as well as the levy of surcharge 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 and are beyond the control of either party. 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(s), 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 payable on half yearly basis. 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.

Nimoo Bazgo (3X15 MW) and Chutak (4X11 MW) Projects located in Jammu & Kashmir state have been registered by the CDM Executive Board of the United Nations Framework Convention on Climate Change (UNFCCC). The Nimoo Bazgo and Chutak projects shall annually reduce emissions of approximately 187,893 metric tonne CO<sub>2</sub> equivalent and 166,831 metric tonne CO<sub>2</sub> equivalent after their commissioning respectively.





However, CDM Registration of these projects is being revised under the new methodology which is expected to be suitably fit in these projects, to incorporate the change in connectivity of these projects from National Grid to Local Isolated Grid.

NHPC's Teesta-V Power Station has been successfully validated under the Voluntary Emission Reduction Scheme. Verification of the generation for the period from April 2008 to September 2009 has been completed. Registration of project under VCS registry and issuing of VER from VCS registry is under process. Approximately 2 Crores VER is expected to be issued within a period of 10 years. Crediting period shall be renewed for another 10 years.

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 "Mega Risk Insurance Policy", "Comprehensive Package Insurance for CPM Equipments" & "Third Party Insurance" Policies in respect of all O&M Power Station w.e.f. 31.07.11.

### **Human Resources**

Our Company had 11,082 employees as of 31.12.2011. Of this, 5,071 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 has been 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;
- disaster management;
- health management; and
- rejuvenation of dumping and quarry sites.



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

As of December 31, 2011, total installed capacity of hydroelectric projects in India was approximately 38,748 MW. Our Company, with an installed capacity of 3749.20 MW, represents approximately 9.68% of the capacity share. Combined with NHDC's installed capacity of 1,520 MW, we represent a capacity share of approximately 13.60%. In Fiscal 2012 (upto 31.12.2011), our Company generated 16262 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.

## **VII. 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<br>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<br>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<br>Tanakpur power station (120 MW) in Uttarakhand commissioned  |
| 1994 – 95      | Awarded the lining work of Jawahar Tunnel in Jammu & Kashmir<br>Our Company declared its maiden dividend of Rs. 5 crore for the year ending March 31, 1994<br>Our Company's registered office started operating from its present building in Faridabad<br>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<br>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<br>Our Company and the government of Jammu & Kashmir entered into an MoU to exploit the power potential of the state |



| Financial Year | Event  |
|----------------|--|
| 2002 – 03      | A line of credit for a tenor of 19 years taken from LIC for an amount of Rs. 2,500 crore<br>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  |
| 2008 – 09      | 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  |
|                | 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   |
| 2009-10        | Incorporation of joint venture company, National Power Exchange Limited, along with NTPC, PFC and Tata Consultancy Services Limited  |
|                | Incorporation of a joint venture company, National High Power Test Laboratory Private Limited, along with NTPC, Power Grid Corporation of India Limited and Damodar Valley Corporation.  |
| 2010-11        | Joint Venture between Govt. of Manipur & NHPC registered for execution of Loktak Downstream Project (66 MW), Manipur   |
| 2010-11        | 120 MW Sewa-II Project dedicated to nation on 29 <sup>th</sup> September   |
| 2011-12        | Our Company entered into an MoU with the government of Orissa and OHPC to incorporate a joint venture (shareholding 51:49) to implement three hydroelectric projects –SINDOL I,II &III with a total capacity of 320 MW   |

### 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   |



| Year | Award/Recognition  |
|------|--|
|      | 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 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’.  |
| 2010 | Green Tech Environmental Excellence Award  |
|      | Silver Medal for Excellence in Display under the Ministries and Departments Pavilion Category conferred to Ministry of Power (MOP) Pavilion at India International Trade Fair (IITF) 2010  |
|      | Life Time Achievement Award conferred to Shri S. K. Garg, CMD, NHPC for achieving excellence in Productivity, Quality, Innovation & Management   |
|      | India Power Award 2010 by Council of Power Utilities for “Social and Community Impact” in recognition of NHPC’s outstanding work under CSR.  |
|      | Rajbhasha Shield awarded to NHPC for outstanding work in implementation of Rajbhasha amongst Power Sector Utilities by Minister of Power as First Prize for 2008-09 and Second Prize for 2009-10   |
|      | FE-EVI Award Green Business Leadership Award in Power Category for Best Performance in green initiatives towards climate change by the Financial Express   |
|      | “Amity HR Excellence Award for Leadership through Transformation Practices conferred to Shri S. K. Garg, CMD, NHPC   |
|      | First Prize by the Department of Official languages, Ministry of Home Affairs, Government of India, for the year 2008-09 under Indira Gandhi Rajbhasha Award Programme for outstanding work in implementing Rajbhasha among PSUs located in Region “A” |
|      | Life Time Achievement Award conferred to Shri S. K. Garg, CMD, NHPC in the area of   |



| Year | Award/Recognition  |
|------|--|
|      | Management and Administration.   |
|      | IIIIE Enterprise Excellence Award for 2008-09 – Silver Shield  |
|      | 9 <sup>th</sup> Annual Greentech Safety Award 2010 – Gold Category Hydro Sector awarded to Tanakpur Power Station by Grrentech Foundation for best practices in the area of Fire & Safety at Power Station |
| 2011 | First Prize under Ministry of Power’s NTPC Shield Yojana for outstanding work in implementing Rajbhasha amongst Power Sector Utilities for the year 2010-11.   |
|      | “Prashansa Patra” award conferred to NHPC at “NSCI Safety Awards – 2010”   |
|      | PSE Excellence Awards 2011 in Miniratna and other category for Best Human Resource Management  |
|      | Indira Gandhi Rajbhasha Award – NHPC First Prize for outstanding work in implementation of Rajbhasha by Ministry of Home Affairs, Government of India, for the year 2009-10.                               |
|      | Adjudged Top Indian Company under power sector at the Dun & Bradstreet-Rolta Corporate Awards for its contribution to Indian economy.  |
|      | CIDC Vishwakarma Award 2011 under the category Social Responsibility   |
|      | Gentle Giants Awards under the Non-Manufacturing-Mini Ratna category by the Dalal Street Investment Journal  |

### CAPITAL STRUCTURE (as on 31<sup>st</sup> December 2011)

(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>  | 2868.74  |

### Paid Up Capital after the Issue

The issue is done through private placement of Bonds which would not have any impact on the Paid-Up Capital of the Company.

### Promoter’s Contribution

There is no contribution from the promoters in the Bond Issue.

### Group Companies Reservation

There is no reservation for group companies in the Bond Issue.

### 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:



Disclosure Documents  
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| 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)<br>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   |

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| 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                     | -<br>2,05,64,61,000        | 2,293.44                                       |
| June 15, 1996                         | 20,58,600            | 1,000            | 1,000             | Cash                                   | Nil                                     | 2,49,92,979                     | 2,05,86,00,000             | 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                                       |

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| 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                                   | 2868.74***                              | 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 38.71 crores as per the provisions of Section 78 of the Companies Act, 1956.

#### SHAREHOLDING PATTERN (as on 03.02.2011)

| S. No. | Category                        | Holding         |
|--------|---------------------------------|-----------------|
| 1.     | President of India              | 86.363631%      |
| 2.     | Resident Individuals            | 6.596722%       |
| 3.     | Bodies Corporates               | 2.027174%       |
| 4.     | Mutual Funds                    | 1.291441%       |
| 5.     | Foreign Institutional Investors | 1.273104%       |
| 6.     | Insurance Companies             | 0.802966%       |
| 7.     | Banks                           | 0.642601%       |
| 8.     | Indian Financial Institution    | 0.464959%       |
| 9.     | HUF                             | 0.334873%       |
| 10.    | Non- Resident Indian            | 0.140963%       |
| 11.    | Clearing Members                | 0.041186%       |
| 12.    | Trusts                          | 0.020351%       |
| 13.    | Foreign Nationals               | 0.000023%       |
| 14.    | Overseas Corporate Bodies       | 0.000001%       |
|        | <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 73.10% of total borrowings as on January 31, 2012 and mainly comprise Line of Credit with LIC, Term Loans from PFC and Non Convertible Bonds. The details of borrowings is furnished below:

### Debt Outstanding (as on 31<sup>st</sup> January 2012)

(Rs in Crores)

|   |                 |
|---|-----------------|
| <b>A. Loan Funds Secured</b>                                  |                 |
| Bonds   | <b>2399.00</b>  |
| Term Loans from Banks/FIs-Indian Currency                     | <b>9397.34</b>  |
| <b>B. Loans Funds Unsecured</b>                               |                 |
| Foreign Currency Borrowings guaranteed by Government of India | <b>2968.12</b>  |
| Loans from Government of India                                | <b>1372.89</b>  |
| Short Term loans from Banks/ FIs                              | <b>NIL</b>      |
| <b>Total</b>  | <b>16137.35</b> |

## VIII. GENERAL INFORMATION

### Compliance Officer

Vijay Gupta  
Company Secretary  
NHPC Office Complex  
Sector - 33, Faridabad 121 003  
Haryana, India  
Tel: +91 129 227 8421  
Fax: +91 129 227 8018  
E-mail: [companysecretary@nhpc.nic.in](mailto:companysecretary@nhpc.nic.in), [nhpcbondsection@gmail.com](mailto:nhpcbondsection@gmail.com)

### Registrars & Transfer Agent

M/s RCMC Share Registry Pvt. Ltd.,  
Ground Floor, B-106, Sector-2, Noida-201 301 (UP)  
Tel: 0120 – 4015 800, 4015 882  
Fax: 0120 – 2444 346  
Email: [shares@rcmcdelhi.com](mailto:shares@rcmcdelhi.com), [rakesh@rcmcdelhi.com](mailto:rakesh@rcmcdelhi.com)



### Debenture Trustees

IDBI Trusteeship Services Limited,  
17, Asian Building Ground Floor, R. Kamani Marg,  
Ballard Estate, Mumbai – 400 001  
Tel: 022 – 4080 7000  
Fax: 022 – 6631 1776  
Email: itsl@idbitrustee.co.in

### Banker to the Issue

State Bank of India  
CAG Branch  
12<sup>th</sup> Floor, Jawahar Vyapar Bhawan,  
1, Tolstoy Marg, New Delhi – 110 001

### Arrangers to the Issue

| Sl. No. | Name of Merchant Banker / Arranger | Sl. No. | Name of Merchant Banker / Arranger      |
|---------|------------------------------------|---------|---|
| 1       | Kotak Mahindra Bank Ltd            | 7       | Trust Investment Advisors Pvt Ltd       |
| 2       | SBI Capital Markets Ltd            | 8       | IDFC Ltd                                |
| 3       | Yes Bank Ltd                       | 9       | ICICI Securities Primary Dealership Ltd |
| 4       | ICICI Bank                         | 10      | Edelweiss Financial Services            |
| 5       | A K Capital Services Ltd           | 11      | Darashaw & Co. Pvt Ltd                  |
| 6       | Axis Bank Ltd                      | 12      | Deutsche Bank AG                        |

## IX. CREDIT RATING & RATIONALE THEREOF

Fitch Ratings India Pvt. Ltd. vide letter dated September 07, 2011 has assigned "Fitch AAA (ind)(exp)" 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 September 07, 2011 from Fitch Ratings India Pvt. Ltd. is enclosed elsewhere in this Disclosure Document.

CARE Ratings vide letter dated September 07, 2011 has assigned "CARE AAA [Triple A] rating to the Bonds being issued under the current placement. This rating indicates highest safety with regard to timely servicing of financial obligations. A copy of the letter dated September 07, 2011 from CARE Ratings is enclosed elsewhere in this Disclosure Document.

ICRA Ltd vide letter dated September 07, 2011 has assigned "[ICRA] AAA" (pronounced as ICRA Triple A) rating to the Bonds being issued under the current placement. This rating indicates highest safety with regard to timely servicing of financial obligations. A copy of the letter dated September 07, 2011 from ICRA 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. 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 31st January 2012)**

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

Set forth below is a brief summary of our significant outstanding foreign currency borrowings of Rs. 2,968.12 crore as of January 31, 2012, 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 | 794.33                            | 1.30                          | Repayment in 41 half yearly instalments from March 20, 2014 |
| 2.     | Through a consortium of:<br><br>Deutsche Bank AG, Tokyo <sup>1</sup> ;<br><br>HSBC Limited, Tokyo;<br><br>ING Bank NV, | Term loan of Japanese Yen 1,824 crore vide a loan agreement dated October 18, 2002 for the implementation of the Teesta V project            | 841.80                            | 0.57 over JPY six month LIBOR | Repayment in 20 half yearly instalments from April 18, 2009 |





| S. No. | Name of Lender(s)  | Facility/Loan Documentation  | Amount Outstanding (in Rs. crore) | Interest Rate (%) p.a. | Repayment Terms   |
|--------|--|--|-----------------------------------|------------------------|---|
|        | Tokyo;<br><br>Societe Generale, Tokyo;<br><br>Standard Chartered Bank, Tokyo; and<br><br>State Bank of India, Tokyo. |  |                                   |                        |   |
| 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 Chamera II power station                      | 268.80                            | 6.01                   | Repayment in 24 half yearly instalments from 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 | 839.33                            | 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         | 223.86                            | 2.30                   | Repayment in 41 half yearly instalments from January 20, 2006   |

\*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 January 31, 2012 together with a brief description of certain significant terms of such financing arrangements.

The Company has issued secured non-convertible taxable bonds (O-Series) of a face value of Rs. 10 crore each, aggregating Rs. 570 crore on private placement basis by an information memorandum dated March 27, 2003, which were subsequently listed on the NSE. The current amount outstanding as of January 31, 2012 is Rs. 399.00 crore.

The Company has also issued 9.00% 15 Year Secured Non-Cumulative Non-convertible Redeemable taxable bonds (in the nature of debentures) (P-Series) on one on one basis to LIC of a face value of Rs. 10 lakh each, aggregating Rs. 2000 crore by an information memorandum dated January 11, 2010, which were subsequently listed on the NSE. The current amount outstanding as of January 31, 2012 is Rs. 2000.00 crore.

The terms of the O-Series & P-Series Bonds 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 crore | 399.00                            | 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<br><br>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 |
| 2      | IDBI Trusteeship Services      | Secured redeemable non-  | 2000.00                           | 9.00                          | A first <i>pari passu</i> mortgage over property situated at   | In 10 equal instalments starting from February 1,  |



|                |  |  |  |   |                             |
|----------------|--|--|--|---|-----------------------------|
| Limited (ITSL) | convertible taxable bonds of the face value of Rs. 10 lakh |  |  | Flat no. 724, MIG, Block no. P-3, Asian Games Village Complex, New Delhi<br><br>A first <i>pari passu</i> mortgage and charge over all the immovable properties and movable plant and machinery of the Parbati-II & Chamera-III hydroelectric project & Dhauliganga Power Station | 2016 until February 1, 2025 |
|----------------|--|--|--|---|-----------------------------|

<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-convertible 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. 2701.80 crore as of January 31, 2012 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                            | 10.16                    | 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 |



| S. No. | Name of Lender            | Facility/Loan Documentation   | Amount Outstanding (in Rs. crore) | Interest Rate (%) (p.a.) | Repayment Terms   | Security   |
|--------|---------------------------|---|-----------------------------------|--------------------------|---|--|
| 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 | 20.00                             | 8.36                     | 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   | 90.00                             | 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       |
| 4.     | Syndicate Bank            | Term loan of Rs. 183 crore vide a composite hypothecation agreement dated February 23, 2005                                 | 109.80                            | 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   | 120.00                            | 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   | 100.00                            | 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       |



| S. No. | Name of Lender       | Facility/Loan Documentation  | Amount Outstanding (in Rs. crore) | Interest Rate (%) (p.a.) | Repayment Terms  | Security   |
|--------|----------------------|--|-----------------------------------|--------------------------|--|--|
| 7.     | Canara Bank          | Term loan of Rs. 85 crore vide a term loan agreement dated March 25, 2004    | 17.00                             | 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     | 10.00                             | 12.75                    | 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   |
| 9.     | Indian Overseas Bank | Term loan of Rs. 200 crore vide a term loan agreement dated January 13, 2012 | 150.00                            | 10.75                    | Repayable in 48 equal quarterly installments of Rs. 3.125 crore each from January 16, 2015 | First charge on <i>pari passu</i> basis by way of hypothecation of the movable assets of the Salal power station, Sewa-II Power Station, Uri-II HE Project, TLDP-IV HE Project, Nimmo-Bazgo HE Project & Chutak HE Project .Security creation under process. |



| S. No. | Name of Lender | Facility/Loan Documentation   | Amount Outstanding (in Rs. crore) | Interest Rate (%) (p.a.) | Repayment Terms  | Security  |
|--------|----------------|---|-----------------------------------|--------------------------|--|---|
| 10     | Indian Bank    | Term loan of Rs. 75 crore, vide a term loan agreement dated September 29, 2009  | 75.00                             | 11.75                    | 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   |
| 11     | Uco Bank       | Term loan of Rs. 1000 crore, vide a term loan agreement dated December 30, 2009 | 1000.00                           | 11.35                    | Repayable in 24 half yearly instalments of Rs. 41.67 crore each from December 31, 2012     | First charge on <i>pari passu</i> basis by way of hypothecation of the movable assets of the Dulhasti power station.  |
| 12     | Canara Bank    | Term loan of Rs. 200 crore vide a term loan agreement dated January 13, 2012    | 150.00                            | 10.75                    | Repayable in 48 equal quarterly installments of Rs. 3.125 crore each from January 16, 2015 | First charge on <i>pari passu</i> basis by way of hypothecation of the movable assets of the Salal power station, Sewa-II Power Station, Uri-II HE Project, TLDP-IV HE Project, Nimmo-Bazgo HE Project & Chutak HE Project . Security creation under process. |



| S. No. | Name of Lender     | Facility/Loan Documentation  | Amount Outstanding (in Rs. crore) | Interest Rate (%) (p.a.) | Repayment Terms  | Security   |
|--------|--------------------|--|-----------------------------------|--------------------------|--|--|
| 13     | Corporation Bank   | Term loan of Rs. 500 crore vide a term loan agreement dated January 05, 2012 | 500.00                            | 10.65                    | Repayable in 48 equal quarterly installments of Rs. 10.417 crore each from January 6, 2015 | First charge on <i>pari passu</i> basis by way of hypothecation of the movable assets of the Salal power station, Sewa-II Power Station, Uri-II HE Project, TLDP-IV HE Project, Nimmo-Bazgo HE Project & Chutak HE Project. Security creation under process. |
| 14     | Punjab & Sind Bank | Term loan of Rs. 200 crore vide a term loan agreement dated January 16, 2012 | 150.00                            | 10.75                    | Repayable in 48 equal quarterly installments of Rs. 3.125 crore each from January 17, 2015 | First charge on <i>pari passu</i> basis by way of hypothecation of the movable assets of the Salal power station, Sewa-II Power Station, Uri-II HE Project, TLDP-IV HE Project, Nimmo-Bazgo HE Project & Chutak HE Project. Security creation under process. |



| S. No. | Name of Lender | Facility/Loan Documentation  | Amount Outstanding (in Rs. crore) | Interest Rate (%) (p.a.) | Repayment Terms  | Security   |
|--------|----------------|--|-----------------------------------|--------------------------|--|--|
| 15     | Indusind Bank  | Term loan of Rs. 100 crore vide a term loan agreement dated January 23, 2012 | 100.00                            | 10.75                    | Repayable in 48 equal quarterly installments of Rs. 2.083 crore each from January 24, 2015 | First charge on <i>pari passu</i> basis by way of hypothecation of the movable assets of the Salal power station, Sewa-II Power Station, Uri-II HE Project, TLDP-IV HE Project, Nimmo-Bazgo HE Project & Chutak HE Project. Security creation under process. |

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





**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. 6705.54 crore as of January 31, 2012 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.     | 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                                      | 120.90                            | 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 | 712.50                            | 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. |



| S. No. | Name of Lender   | Facility/Loan Documentation  | Amount Outstanding (in Rs. Crore) | Interest Rate (p.a.)  | Repayment Terms   | Security   |
|--------|------------------|--|-----------------------------------|---|---|--|
| 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   | 66.50                             | 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.                                     |
| 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 | 387.50                            | Yield on three years AAANBMK 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 | 299.41                            | 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. Loan Foreclosed on June 30, 2011 amount availed Rs 1457 crore.                       | 1347.73                           | 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><br>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<br>8.43% on the second tranche of Rs. 85 crore repayable<br>8.65% on the third tranche of Rs. 50 crore repayable<br>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 Teesta III Low Dam hydroelectric project and Teesta V power station and a mortgage on the fixed assets of the Teesta III Low Dam |



| 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. Line of credit of Rs 6500 crore foreclosed amount availed Rs 1896 crore. |                                   | 9.11% on the fifth tranche of Rs. 115 crore repayable.   |   | 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><br>(a)(b)(c) | Non-renewable line of credit of Rs. 2,500 crore vide a line of   | 1875.00                           | 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. 1372.89 crore as of January 31, 2012.

| 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      | 270.00                            | 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           | 364.00                            | 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 | 738.89                            | 1.00                        | Repayment w.e.f. the 11 <sup>th</sup> year after commissioning of the project till the 20 <sup>th</sup> year. |

**2. DEBT EQUITY RATIO**

**(Rs in Crores)**

| Particulars   | Pre-issue (as on 31.12.2011) | Post issue      |
|---|------------------------------|-----------------|
| <b>Debt</b>   |                              |                 |
| Secured   | 10849.75                     | 13538.72        |
| Unsecured   | 4509.95                      | 4197.67         |
| <b>Total Debt</b>                                   | <b>15359.70</b>              | <b>17736.39</b> |
| <b>Shareholders funds</b>                           |                              |                 |
| Share Capital                                       | 12300.74                     | 12300.74        |
| Reserves & Surplus (excluding Revaluation Reserves) | 14256.09                     | 14256.09        |
| <b>Net Worth</b>                                    | <b>26556.83</b>              | <b>26556.83</b> |
| <b>DEBT EQUITY RATIO</b>                            | <b>0.58</b>                  | <b>0.67</b>     |

Note: including fresh drawls of Rs. 1350 crores during Jan-Feb 2012.



### 3. TOP 10 EQUITY SHAREHOLDERS (as on 03.02.2012)

| Sl. No.      | Name of the Shareholder                           | Number of Shares Held | % of holding      |
|--------------|---|-----------------------|-------------------|
| 1            | President of India                                | 10623368758           | 86.363631%        |
| 2            | Life Insurance Corporation of India               | 91281021              | 0.742077%         |
| 3            | HDFC Standard Life Insurance Co. Ltd.             | 35995446              | 0.292628%         |
| 4            | Franklin Templeton Mutual Fund A/c Franklin India | 35000000              | 0.284536%         |
| 5            | UCO Bank  | 33154836              | 0.269535%         |
| 6            | Corporation Bank                                  | 16822014              | 0.136756%         |
| 7            | Franklin Templeton Mutual Fund A/c Franklin India | 15550706              | 0.126421%         |
| 8            | PCA India Infrastructure Equity Open Ltd.         | 15451176              | 0.125612%         |
| 9            | Aviva Life Insurance Company Ltd.                 | 15391304              | 0.125125%         |
| 10           | HDFC Trustee Company Ltd. – HDFC Top 200 Fund     | 14000000              | 0.113814%         |
| <b>Total</b> |   | <b>10896015261</b>    | <b>88.580135%</b> |

### 4. TOP 10 HOLDERS OF O-SERIES BONDS (as on 03.02.2012)

| Sl. No.      | Name of the Bondholder                   | Number of Bonds Held | % of Holding  |
|--------------|--|----------------------|---------------|
| 1            | General Insurance Corporation of India   | 70                   | 17.54%        |
| 2            | The New India Assurance Co. Ltd.         | 30                   | 7.52%         |
| 3            | PNB Employee Pension Fund                | 29                   | 7.27%         |
| 4            | ICICI Prudential Life Insurance Co. Ltd. | 20                   | 5.01%         |
| 5            | Food Corporation of India CPF Trust      | 17                   | 4.26%         |
| 6            | CBT EPF-11-B-DM                          | 15                   | 3.76%         |
| 7            | United India Insurance Co. Ltd.          | 15                   | 3.76%         |
| 8            | PNB Employees Provident Fund             | 13                   | 3.26%         |
| 9            | Bank of India Provident Fund             | 12                   | 3.01%         |
| 10           | Birla Sun Life Insurance Co. Ltd.        | 11                   | 2.76%         |
| <b>Total</b> |  | <b>232</b>           | <b>58.15%</b> |





## 5. TOP HOLDERS OF P-SERIES BONDS (as on 03.02.2012)

| Sl. No.      | Name of the Bondholder              | Number of Bonds Held | % of Holding |
|--------------|-------------------------------------|----------------------|--------------|
| 1            | Life Insurance Corporation of India | 20000                | 100%         |
| <b>Total</b> |                                     | <b>20000</b>         | <b>100%</b>  |

## 6. 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.

## XI. 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.

## XII. 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.



### **XIII. 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.

### **XIV. PERMISSION / 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.

### **XV. 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 October 28'2011 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 September 2, 2011 and February 2, 2012 from M/s RCMC Share Registry Private Limited for acting as Registrars & Transfer Agent to the Issue.
- e) Letter of Consent from (Collection Banker) for acting as Banker to the Issue.
- f) Copy of application made to the NSE for grant of in-principle approval for listing of Bonds.
- g) Letter from NSE conveying its in-principle approval for listing of Bonds.



- h) Letter dated September 7, 2011 from Fitch Ratings conveying the credit rating for the Bonds of the Company and the rating rationale pertaining thereto.
- i) Letter dated September 7, 2011 from CARE Ratings conveying the credit rating for the Bonds of the Company and the rating rationale pertaining thereto.
- j) Letter dated September 7, 2011 from ICRA conveying the credit rating for the Bonds of the Company and the rating rationale pertaining thereto.
- k) Tripartite Agreement dated 24.12.2001 between the NHPC, NSDL and M/s RCMC Share Registry Private Limited for issue of Bonds in dematerialised form.
- l) Tripartite Agreement dated 01.01.2002 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.

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

9.25% Secured Non-Convertible Redeemable Bonds in the nature of Debentures (Q-Series) 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.

**XVII. 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).**

The Bonds being offered are subject to the provisions of the Act, the Memorandum and Articles of Association, the terms of this Disclosure Document, Application Form and other terms and conditions as may be incorporated in the Trustee Agreement, Letter(s) of Allotment and/or Bond Certificate(s). Over and above such terms and conditions, the Bonds shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue and listing of debt securities issued from time to time by SEBI/the Government of India/RBI and/or other authorities and other documents that may be executed in respect of the Bonds.

**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 and to recoup the Internal Resources already deployed in the 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.



## SUMMARY TERM SHEET

### Terms of the Bonds

Private Placement of Secured, Non Convertible, Non Cumulative, Redeemable, Taxable Bonds with Separately Transferable Redeemable Principal Parts (STRPPs) in the nature of Debentures of the face value of Rs. 12.00 Lakhs (Rupees Twelve Lakhs only) comprising 12 STRPP of the value of Rs. 1.00 Lakh (Rupees One Lakhs only) each for cash at par for Rs. 498 crores (Rupees Four Hundred Ninety Eight Crores only) with Green Shoe Option of Rs. 768 crores (Rupees Seven Hundred Sixty Eight Crores only).

| SL. NO. | PARTICULARS                             | DETAILS  |
|---------|---|--|
| 1       | Issuer                                  | NHPC LTD.  |
| 2       | Instrument /Bond Series                 | Secured, Non Convertible, Non Cumulative, Redeemable, Taxable Bonds (Q-Series)   |
| 3       | Issue size                              | 4150 Bonds aggregating to Rs. 498 crores (Rupees Four Hundred Ninety Eight Crores only) with Green Shoe Option of Rs. 768 crores (Rupees Seven Hundred Sixty Eight Crores only).   |
| 4       | Denomination (Face Value) & Issue Price | Each Bond shall have a face value of Rs. 12.00 Lakhs (Rupees Twelve Lakhs only) comprising 12 STRPP of the value of Rs. 1.00 Lakh (Rupees One Lakhs only) each.  |
| 5       | Object of the issue                     | To Meet the debt requirement of on-going projects*   |
| 6       | Mode of Subscription                    | Full Face value payable along with application   |
| 7       | Tenor                                   | Bonds are redeemable at par in 12 equal annual installments starting at the end of 4 <sup>th</sup> year. Each bond will comprise of 12 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 4 <sup>th</sup> , 5 <sup>th</sup> , 6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> , 10 <sup>th</sup> , 11 <sup>th</sup> , 12 <sup>th</sup> , 13 <sup>th</sup> , 14 <sup>th</sup> and 15 <sup>th</sup> year respectively. These Principal Parts would be designated and named as A, B, C, D, E, F, G, H, I, J, K and L respectively. |
| 8       | Coupon Rate                             | 9.25% per annum  |
| 9       | Interest payment                        | Payable annually starting from the 1 <sup>st</sup> anniversary date of the date of allotment   |
| 10      | Redemption Date                         | At the end of 4 <sup>th</sup> , 5 <sup>th</sup> , 6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> , 10 <sup>th</sup> , 11 <sup>th</sup> , 12 <sup>th</sup> , 13 <sup>th</sup> , 14 <sup>th</sup> and 15 <sup>th</sup> year respectively from the date of allotment   |
| 11      | Put and Call Option                     | No Put and Call Option   |
| 12      | Proposed Listing of Debt Securities     | WDM Segment of National Stock Exchange   |
| 13      | Issuance/ Trading                       | In Demat Mode  |
| 14      | Depositories                            | National Securities Depository Ltd. (NSDL) & Central Depository Services Ltd. (CDSL)   |
| 15      | Registrar & Transfer Agent              | M/s RCMC Share Registry Pvt. Ltd.,<br>Ground Floor, B-106, Sector-2,<br>Noida-201301 (UP)  |
| 16      | Debenture Trustee                       | IDBI Trusteeship Services Limited,<br>17, Asian Building Ground Floor, R. Kamani Marg, Ballard Estate,<br>Mumbai – 400001  |



|    |                                       |   |
|----|---------------------------------------|---|
| 17 | Security                              | The Bonds will be secured by way of first pari-passu charge on the assets of the Company, i.e., TLDP-III HE Project (in West Bengal) and Teesta-V Power Station (in Sikkim). The charge will be created in favour of Debenture Trustee on behalf of the Bondholders in such form and manner in one or more tranches and through one or more security documents as considered appropriate by the Company of value not less than 1.00 times the value of the Bonds outstanding. |
| 18 | Rating                                | “FitchAAA(ind)(exp)” (pronounced Fitch triple A ind) by Fitch Ratings.<br>ICRA “[ICRA] AAA” (pronounced ICRA triple A) with stable outlook by ICRA.<br>“CARE AAA” (pronounced Triple A) by CARE Ratings.  |
| 19 | Settlement                            | Payment of interest and repayment of principal shall be made by way of ECS / Direct Credit / RTGS / NEFT / cheque(s)/warrant(s)/demand draft(s) payable at par  |
| 20 | Issue opening                         | March 05, 2012 (Monday)   |
| 21 | Issue closing                         | March 06, 2012 (Tuesday)  |
| 22 | Intimation of allocation to investors | March 09, 2012 (Friday)   |
| 23 | Pay-in-date                           | March 12, 2012 (Monday)   |
| 24 | Deemed Date of allotment              | March 12, 2012 (Monday)   |

*Note\*: inclusive of recoupment of expenditure already incurred.*

### Registration and Government Approvals

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

The present issue of Secured, Non Convertible, Non Cumulative, Redeemable, Taxable Bonds is being made pursuant to the Resolution of the Board of Directors of the Company passed in its meetings held on 28.10.2011 & 15.02.2012 wherein the Chairman and Managing Director / Director (Finance) have been authorized to raise Secured, Non Convertible, Non Cumulative, Redeemable, Taxable Bonds (Q-Series) of upto Rs 500.00 crores with Green Shoe Option up to Rs 1000.00 crores on private placement basis in D-mat form with in the borrowing powers as set out in 28<sup>th</sup> AGM 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.



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

Each Bond has face value of Rs. 12.00 Lakhs (Rupees Twelve Lakhs only) and is issued at par i.e. for Rs. 12.00 Lakhs (Rupees Twelve Lakhs only). The Bonds shall be redeemable at par i.e. for Rs. 12.00 Lakhs (Rupees Twelve Lakhs only) per Bond @ 1/12 of the face value of the Bond every year over a period of 12 years commencing from the from the end of 4<sup>th</sup> year up to the end of 15<sup>th</sup> 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.

### **Deemed Date of Allotment**

Interest on Bonds shall accrue to the Bondholder(s) from and including March 12, 2012 (Monday) 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.

### **Underwriting**

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

### **Who can apply:**

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Bonds

- Companies and Bodies Corporate including Public Sector Undertakings
- Scheduled Commercial Banks
- Regional Rural Banks
- Co operative Banks
- Financial Institutions
- Insurance Companies
- Mutual Funds
- Provident, Pension, Superannuation & Gratuity Funds
- Port Trusts
- Any other investor authorised to invest in these bonds, subject to confirmation from the issuer.

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of bonds.



### **Procedure for applications by Mutual Funds**

The applications forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

- SEBI registration certificate
- Resolution authorizing investment and containing operating instructions
- Specimen Signature of authorized signatories

### **Documents to be provided by investors**

Investors need to submit the following documentation, along with the application form, as applicable.

- Memorandum and Articles of Association / Documents Governing Constitution
- Resolution authorising investment
- Certified True Copy of the Power of Attorney
- Form 15 AA for investors seeking exemption from Tax deduction at source from interest on the application money.
- Specimen signatures of the authorised signatories duly certified by an appropriate authority.
- SEBI Registration Certificate (for Mutual Funds)/Recognition Certificate of Trust – Provident, Pension, Superannuation and Gratuity Fund
- Permanent Account Number (PAN)
- Bank / demat Account Number

### **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.

### **Submission of Completed Application Forms and Mode of Payment**

The amount of the application money may be deposited by way of remittance through **RTGS** only to **NHPC Ltd C.A. No. 10813608692 with (State Bank of India, CAG Branch, New Delhi) (IFSC Code SBIN0009996) on account of Application Money for NHPC Q-Series Bonds.**

The application duly filled and affixed the stamp of arranger may be deposited to Chief (Finance) - Treasury, 4th Floor, NHPC LTD, NHPC Office Complex, Sector-33, Faridabad – 121 003 (Haryana) or through arranger by whom the bids will be submitted.

**The copy of the application with RTGS related details (mentioning UTR number on the top of the application) Depository details (mentioning Depository name, Depository Participant's name, DP ID, Client ID (house/non house) must be faxed / hand delivered on**





**the pay in date immediately to Chief (Finance) - Treasury, 4th Floor, NHPC LTD, NHPC Office Complex, Sector-33, Faridabad – 121 003 (Haryana) to facilitate reconciliation and allotment process of bonds.**

### **Right to accept / reject applications**

The Issuer is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application forms which are incomplete or which do not fulfill the Terms & Conditions indicated on the back of the application form are liable to be rejected.

### **Payment on Application**

The full face value of the Bonds applied for, is to be paid along with the application form.

### **Minimum Lot Size**

The minimum lot size for trading of the Bonds on the NSE is proposed to be 1 STRPP of the value of Rs. 1.00 Lakh only.

### **Minimum Subscription:**

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

### **Basis of Allocation / Allotment**

The Issuer will decide the basis of allotment through Book Building Process. The issuer reserves the right to reject any/all applications at its sole discretion, without assigning any reason whatsoever.

### **Book Building Procedure**

1. Commencing from the Offer Opening Date, potential investors will be invited to place bids by way of irrevocable Letter of Commitment, in the prescribed format, as per the Annexure.
2. As per the format, the investor may indicate the amount that they will like to invest at different coupon rates. Alternatively, investors may indicate the amount they would like to invest at the cut-off coupon rate as decided by the Company, i.e., NHPC. Orders placed earlier can be changed anytime during the bidding period (opening date and time) to (closing date and time) by giving a revised commitment letter, which will be deemed to supercede the earlier commitment.
3. The Letters of Commitment should be submitted to Chief (Finance) – Treasury, 4<sup>th</sup> Floor, NHPC Office Complex, Sector-33, Faridabad-121 003 (Haryana) in a sealed envelope marked “Original / Revised (as the case may be) Letter of Commitment – NHPC Q-Series



- Bonds” before Bid Closing Date and Time. Full confidentiality of commitments shall be maintained.
4. Based on the Letters of Commitment received, a “Final Coupon Rate” for Q-Series Bonds shall be determined by NHPC.
  5. The “Final Coupon Rate” so decided will be applicable for all the investors.
  6. The final allocation to the investors shall be decided by NHPC. In case there is over-subscription in the issue, priority will be given to investors in the following order:
    - i) First priority would be given to investors bidding at the lowest coupon rate either in original or revised bid.
    - ii) Second priority would be given to investors bidding at the “Cut-off” Coupon Rate either in original / revised bid.
    - iii) Further, within a set of applications bidding to invest at the same Coupon rate, priority shall be given to bids received on an earlier date.
    - iv) In case of tie with respect to “Final Coupon Rate” and Date of Receipt of the bid, allocation will be done on Pro-rata basis.
  7. The Final Coupon Rate along with the investors’ allocation shall be communicated to the investors latest by March 9, 2012.

On receipt of the Allocation Advice, completed applications along with the details of deposit through RTGS for the requisite amount & other necessary documents may be submitted directly or through Arranger by whom the bids have been submitted, to Chief (Finance) – Treasury, 4<sup>th</sup> Floor, NHPC Office Complex, Sector-33, Faridabad-121 003 (Haryana). The amount of application money may be deposited through RTGS only to (NHPC Bank Details) on account of **Application Money for Q-Series Bonds on (Pay-in Date)**.

Note: NHPC reserves the right to change the Issue Schedule and also accept or reject any application, in part or in full, without assigning any reason.

#### **Denomination of Bonds**

Each Bond will have a face value of Rs. 12.00 Lakhs only and will be issued in the form of 12 Separately Transferable Redeemable Principal Parts (STRPPs). Each of the Principal Parts shall be of the value of Rs. 1.00 Lakh only and would be redeemable at par at the end of 4th , 5th, 6th ,7th ,8th ,9th ,10th ,11th,12th 13th,14th and 15th year respectively. These Principal Parts would be designated and named as A,B,C,D,E,F,G,H,I,J, K and L respectively.

The investors can hold the bonds only in Electronic (Dematerialized) form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time. The Company is making arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the issue of these Bonds in the Electronic (Dematerialized) form. All provisions relating to issue, allotment, transfer, transmission etc in respect of Bonds/STRPPs as prescribed under the Depositories Act, 1996 and the rules made there under will be applicable to the Bonds issued in Dematerialized Form.

**Applicants should mention their Depository Participant’s (DP) name, DP-ID and Client-ID (Beneficiary Account Number), clear and legible, in the appropriate place in the Application Form.**



## Depository Arrangement

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 depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for issue and holding of the Bonds in dematerialised form.

As per the provisions of Depositories Act, 1996, the Bonds issued by the Company can be held in a dematerialised form, i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. In this context:

- Two tripartite agreements have been signed
  - Tripartite Agreement dated 24.12.2001 between NHPC, NSDL and RCMC Share Registry Ltd.
  - Tripartite Agreement dated 01.01.2002 between NHPC, CDSL and RCMC Share Registry Ltd.
- An applicant applying for Bonds in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.
- The applicant seeking allotment of Bonds in the electronic form must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application form under the heading 'Request for Bonds in Electronic Form'.

Bonds allotted to an applicant in the electronic account form will be credited directly to the applicant's respective beneficiary account(s) with the DP.

For subscription in electronic form, 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.

- In case of allotment of Bonds in electronic form, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.



### **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.

### **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.

### **Record Date**

For the purpose of corporate actions such as interest payment and redemption, the 'Record Date' for the Bonds shall be fixed not more than 15 calendar days prior to such corporate action (both dates exclusive). 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 15 days before the respective due date of payment of interest and at least 15 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.

### **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.

### **Payment of Interest**

Interest would be payable annually on anniversary date of the deemed date of allotment every year till the final date of redemption so as to include the previous interest payment date and exclude the current interest payment date.. The interest payable to each bondholder shall be paid by way of RTGS/interest warrants bearing the interest payment dates. Such payments shall be made to the Bondholders whose names appear in the Register of Bondholders on the record date and in case of joint holders to the one whose name appears first in the Register of Bondholders. In the event of the Corporation not receiving any notice of transfer on the record date i.e. 15 days before the interest payment date, the transferee(s) for the Bond shall not have any claim against the Corporation in respect of amount so paid to the registered Bondholders. The Company retains the right to revise (pre-pone/ postpone) the above interest payment date(s) at its sole and absolute discretion subject to the compliance of the relevant statutory provisions in this regard..



- The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days except in case of a leap year where the year will comprise of 366 days.

Wherever the signature(s) of such transferor(s) in the intimation sent to the Corporation is/are not in accordance with the specimen signature(s) of such transferor(s) available on the records of the Corporation, all payments on such Bond(s) will be kept at abeyance by the Corporation till such time as the Corporation is satisfied in this regard.

No interest / interest on interest shall accrue on the Bonds after the date of maturity of the respective instruments.

### **Payment on Redemption**

The payment of the redemption amount of the Bonds will be made by the Company to the Registered Bondholders recorded in the books of the Company and in the case of joint holders, to the one whose name appears first in the Register of Bondholders as on the record date. In the event of the Company not receiving any notice of transfer, before the record date, the transferee(s) for the Bond(s) shall not have any claim against the Company in respect to the amount so paid to the Registered Bondholders.

The Bonds held in the Dematerialized Form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Bondholders whose name appears 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. On such payment being made, the Company will inform NSDL/ CDSL and accordingly the account of the Bondholders with NSDL/ CDSL will be adjusted.

The Company's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the dates of such redemption.

On the Company dispatching the amount 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 Date of Allotment, fall on a Sunday or a Public Holiday in Delhi/Faridabad, the interest/principal, as applicable, for the period would be paid on the immediate preceding working day in Delhi/Faridabad with interest upto the day preceding the actual date of payment.



### **Tax Deduction at Source**

Tax applicable under the Income-Tax Act, 1961, or any other statutory modification or reenactment thereof will be deducted at source. Tax exemption certificate/ document, under section 193/197/197A of the Income Tax Act, 1961, if any must be lodged in duplicate at the office of the Issuer, at least 30 days prior to the interest payment date. In case of tax deducted at source, the Company will issue the TDS certificate to the investors.

### **Payments at Par**

The Company will try, as far as possible, to pay interest and principal on the bonds through ECS/direct credit/ RTGS/NEFT/ instruments payable at par as per applicable norms of the Reserve Bank of India.

### **Despatch of Documents**

The Cheques/ Demand Drafts/other instruments of payment, as the case may be, shall be dispatched by registered post / courier or by hand delivery to the address of the holder whose name appears first in the Register of Bondholders. This will be at the sole risk of the addressee.

### **Loss of Interest Warrants**

Loss of interest warrants should be intimated to NHPC. The issue of duplicate interest warrants would be governed by such conditions as may be prescribed by NHPC.

### **Purchase and Sale of Bonds**

The Corporation may, at any time and from time to time, purchase Bonds at the price available in the Capital Market in accordance with the applicable laws. Such Bonds may, at the option of the Corporation, be canceled, held or reissued at such a price and on such terms and conditions as the Corporation may deem fit and as permitted by law.

### **Re-issue of Bonds**

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

### **Transfer of Bonds**

All requests for registration of transfer, transmission, etc. along with appropriate documents should be sent to RTA – **M/s RCMC Share Registry Pvt. Ltd., Ground Floor, B-106, Sector-2, Noida-201 301 (UP)** or such other persons at such addresses as may be notified by the Company from time to time.



### **Mode of Transfer**

The Company is a Government Company within the meaning of Section 617 of the Companies Act, 1956. The bonds will be transferable in accordance with the Provisions of the Companies Act, 1956.

Bonds held in Electronic (Dematerialized) form shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depository/ Depository Participant of the transferor/transferee and any other applicable laws and rules notified in respect thereof.

### **Succession**

In the event of winding-up/demise of the Bondholder(s), NHPC will recognise the executor or administrator of the concerned Bondholder(s), or the other legal representative as having title to the Bond(s). NHPC shall not be bound to recognise such executor or administrator or other legal representative as having title to the Bond(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a Court in India having jurisdiction in the matter.

NHPC may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration other legal representation, in order to recognise such holder as being entitled to the Bond(s) standing in the name of the concerned Bondholder on production of sufficient documentary proof or indemnity.

However, in case of Acquisition/Take over/Mergers and Amalgamations of the Bondholder company, the changes will be recognized only by NHPC when the entire process of such Acquisition/Take over/Mergers and Amalgamations (not restricted to permission of the concerned court or any other authority as applicable of such Acquisition/Take over/Mergers and Amalgamations) is completed and necessary changes are carried on with the Registrar of the Companies and proof thereof is submitted to the Registrar of Issue.

### **Bond Redemption Reserve**

The Company shall create Bonds Redemption Reserve (BRR) out of its profits and transfer to BRR suitable amounts in accordance with relevant provisions of the Companies Act, 1956 or other guidelines issued from time to time and in force during the currency of the Bonds/STRPPs.

### **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 asset coverage not exceeding 1.00 time the issue amount. The company proposes to provide balance available coverage in its existing assets already mortgaged to LIC i.e. TLDP-III HE Projects (in West Bengal) & Teesta-V Power Station (in Sikkim) on pari-passu basis.





The Company shall at all times maintain a minimum security cover of 1.00 times of the value of all the outstanding Bonds proposed to be issued.

The said security shall be created in favour of the Debenture Trustee within 3 months from the 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 Debenture Trustee.

### **Servicing behavior on existing debentures**

NHPC confirms that it has been regular in servicing all its past bonds.

### **Rights of Bondholders**

The Bondholders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Bonds shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of the Corporation. The Bonds shall be subjected to other usual terms and conditions, as per the Memorandum and Articles of Association of the Corporation.

### **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 special resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution which modifies or varies the terms and conditions of the Bonds shall be operative against the Corporation, if the same are not accepted by the Corporation.

### **Future Borrowings**

The Corporation shall be entitled from time to time to make further issue of Bonds to the public, members of the Corporation and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets without any further approval from the Bondholders.

### **Bondholder not a Shareholder**

The Bondholders will not be entitled to any of the rights and privileges available to the Equity Shareholders.

### **Governing Law**

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



### **Trustees for the Bondholders**

The Company has appointed IDBI Trusteeship Services Limited to act as Trustees for the Bondholders (“Trustees”). The consent letter of the trustee is enclosed in the Appendix, for reference. The Company and the Trustees has entered into a Trustee Agreement.

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 Bondholder(s). 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 will 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 they will 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.

### **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.

### **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.

### **Undertaking by the Issuer**

The Issuer Company undertakes that:

- the complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily;
- that all the steps for completion of the necessary formalities for listing and commencement of trading at Stock Exchange where the securities are to be listed shall be taken immediately after finalization of basis of allotment
- Necessary co-operation to the credit rating agency (ies) shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.
- That the company shall disclose the complete name and address of the debenture trustee in the annual report
- That the company shall provide a compliance certificate to the Bond holders (on yearly basis) in respect of compliance with the terms and conditions of issue of Bonds as contained in the document, duly certified by the debenture trustee.
- That the company shall furnish a confirmation certificate to the debenture trustee (on yearly basis) that the security created by the company in favour of the Bond holders is properly maintained and is adequate enough to meet the payment obligations towards the Bond holders in the event of default



## **XVIII ANNEXURES**

### **A. DRAFT FORMAT OF LETTER OF COMMITMENT FROM INVESTORS**

As enclosed.

### **B. CONSENT LETTER OF TRUSTEE**

As enclosed.

### **C. CONSENT LETTER FROM REGISTRAR & TRANSFER AGENTS**

As enclosed.

### **D. CREDIT RATING LETTERS AND RATIONALE**

As enclosed.



**DRAFT/SAMPLE FORMAT OF LETTER OF COMMITMENT FROM INVESTORS**

(To be furnished on Investors letter head)  
(Please indicate STD Code, Tel and Fax Nos.)

**Date: DD/MM/YYYY**

**Application Form No.-----**

**NHPC Limited,**  
NHPC Office Complex,  
Sector-33, Faridabad – 121 003 (Haryana)

Dear Sir (s)

We refer to your Disclosure Document for Private Placement of Secured, non-convertible, noncumulative, redeemable, taxable bonds in the nature of Debentures addressed to us giving details of the proposed placement of Rs. ---- with Green Shoe Option of upto Rs. ---.

We hereby commit to invest in the aforesaid issue. Our requirement is shown in the following table:

| A : At Coupon Rate (%) p.a.<br>(payable Annually) | B: No. of Bonds at "A" or at higher<br>coupon (min. <b>TEN</b> and in multiples<br>of <b>FIVE</b> bond thereafter) | Total amount at "A" or at a<br>higher coupon (B X ----) (Rs.) |
|---|--|---|
|   |  |   |
|   |  |   |
|   | OR   |   |
| At Cut-off Rate                                   |  |   |

This letter is an irrevocable commitment from us to subscribe to the said number of bonds, subject to your acceptance, unless superseded by a subsequent letter from us, delivered to you before the closure of the book i.e. on (Closing Date & Time).

Kindly allocate to us the desired number of bonds or any such lesser quantity as may be decided by you. As outlined above in the Disclosure Document for Private Placement, we undertake to send our Application Form along with the remittance through RTGS and other necessary documents on (Pay-in Date) or such other date that may be intimated to us in the event of the closure of book prior to/after (Closing Date & Time) in respect of the bonds that may be allocated to us.

Thanking You,

Yours faithfully,

(Name & Designation)  
For (Name of Investor)  
Authorised Signatory

**Tel. No.** \_\_\_\_\_ **FAX No.** \_\_\_\_\_

**PAN** \_\_\_\_\_ **DP Name** \_\_\_\_\_

**DP ID** \_\_\_\_\_ **Client ID** \_\_\_\_\_ **House/Non-House**



## **XIX. 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 meeting held on 28.10.2011.

for NHPC Ltd.

-sd-

(R.K. Taneja)

Executive Director (Finance)

Place: Faridabad

Date :March 6, 2012