

*Handwritten signature*

Office of the Supdt. of Stamps  
Gujarat State, Gandhinagar  
Ahmedabad

TRUE COPY

For AXIS TRUSTEE SERVICES LTD.

*Handwritten signature*  
Neelesh Baheti  
Chief Operating Officer

Office of The Supdt. of Stamps  
Gujarat State, Gandhinagar

P-1 NEEPCO-ATSL

Received from :- North Eastern Electric Power Corporation Limited

Stamp Duty Rupees: 720100/-

(Rs. Seven Lacs Twenty Thousand .  
One Hundred Only

Certified under Section 32 of the  
Gujarat Stamp Act - 1958 that the full

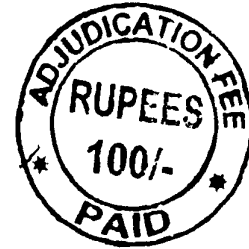
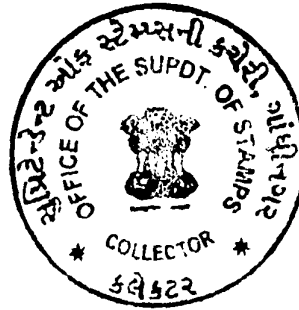
stamp duty Rupees: 720100/-

(Rs. Seven Lacs Twenty Thousand  
One Hundred Only

with which this instrument is  
chargeable has been paid

*Handwritten signature*  
COLLECTOR

No. 3 (Adj)(32) of 2013  
Date :- 05/01/2013  
Receipt/Chalan No. A 01174  
Date :- 04/01/2013



BOND TRUST DEED

This Bond Trust Deed made at Ahmedabad this 7<sup>th</sup> day of February Two Thousand Thirteen between:

**NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED (NEEPCO)**, (A Government of India Enterprise), a Public Limited Company within the meaning of the Companies Act, 1956 (1 of 1956) and having its Registered Office at Brookland Compound, Lower New Colony, Shillong – 793 003, in the State of Meghalaya (hereinafter referred to as "the NEEPCO"/"the Company") which expression shall, unless excluded by or repugnant to the context or meaning thereof, include its successors and assigns of the **ONE PART**.



IN WITNESS WHEREOF the common seal of the company has been hereunto affixed and the Trustees have caused these presents to be executed by their authorised official(s) on the day, month and year first hereinabove written in the manner hereinafter appearing.

The Common Seal of **NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED** has been hereunto affixed pursuant to the resolutions of its Board of Directors passed on 29<sup>th</sup> November 2011 and 22<sup>nd</sup> June 2012 in the presence of Shri Alexander Gordon West Kharkongor, Director of the company who has signed these presents in token thereof in the presence of:

A handwritten signature in black ink, appearing to be 'A. Gordon West'.

1. (C. SHARMA)
2. Preeti S. Singh



SIGNED AND DELIVERED by  
**AXIS TRUSTEE SERVICES  
LIMITED**, in its capacity as Trustees  
by the hand of its Authorised Official,  
Shri Neelesh Baheti  
in the presence of:

For **AXIS TRUSTEE SERVICES LTD.**

*Neelesh Baheti*  
Neelesh Baheti  
Chief Operating Officer

*Handwritten initials*

1. *Neelish Baheti*
2. *Joshi*  
(K. S. JOSHI)

**BOND TRUST DEED**

This Bond Trust Deed made at Ahmedabad this 7<sup>th</sup> day of February, Two Thousand Thirteen between:

**NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED (NEEPCO)**, (A Government of India Enterprise), a Public Limited Company within the meaning of the Companies Act, 1956 (1 of 1956) and having its Registered Office at Brookland Compound, Lower New Colony, Shillong – 793 003, in the State of Meghalaya (hereinafter referred to as "**the NEEPCO**"/"**the Company**") which expression shall, unless excluded by or repugnant to the context or meaning thereof, include its successors and assigns of the **ONE PART**.

AND

**AXIS TRUSTEE SERVICES LIMITED**, a Company registered under the Companies Act, 1956 (1 of 1956) with CIN – U74999MH2008PLC182264 and having its Registered and Corporate Office at 2<sup>nd</sup> Floor, Axis House, Bombay Dyeing Compound, Padurang Bhudkar Marg, Worli, Mumbai – 400 025, hereinafter called "**the Trustee**"/"**the Trustees**", (which expression shall unless excluded by

or repugnant to the context or meaning thereof, include the Trustee or the Trustees for the time being hereof) of the **OTHER PART**.

**WHEREAS :-**

- I. Details of Authorised, Issued, Subscribed and Paid-Up Capital of the Company as on 31<sup>st</sup> March, 2012.

<b>SHARE CAPITAL</b>		As at 31.03.2012 (Rs. in Lakhs)
<b>1] AUTHORISED:</b>		
5,00,00,00,000 Equity Shares of Rs.10/- each		5.00,000.00
		----- <b>5,00,000.00</b> =====
<b>2] ISSUED, SUBSCRIBED AND PAID UP :</b>		
(a) 3,23,19,30,400 Equity Shares of Rs.10/- each		3,23,193.04
(b) Share Application Money pending allotment		4,583.00
		----- <b>3,37,776.00</b> =====

II. The Company is, inter alia, seized and possessed of or otherwise well and sufficiently entitled, inter alia,

- (a) to all those piece(s) or parcel(s) of Non-Agricultural freehold lands, hereditaments and premises situate lying and being at Mouje/Village Irana of Kadi Taluka in the Registration District Mehsana and Sub-District of Kadi in the State of Gujarat, more particularly described in the Part – “A” of the First Schedule hereunder written (hereinafter referred to as “the Gujarat Immovable Property”).
- (b) All the Gas Turbines at the Assam Gas Based Power Project at Bokuloni, Kathalguri, District Dibrugarh in the State of Assam (hereinafter referred to as “the Gas Turbine Properties” more particularly described in the Part – “B” of the First Schedule hereunder written.

- (c) All the Plant and Machinery in the Generating Station of the Ranganadi Hydro Electric Project at Yazali, Lower Subansiri District in the State of Arunachal Pradesh (hereinafter referred to as “the Plant & Machinery Properties” more particularly described in the Part – “C” of the First Schedule hereunder written.

(The Gujarat Immovable Property, the Gas Turbine Properties and the Plant & Machinery Properties are hereinafter collectively referred to as “the said Properties”)

III.(a)(i) With a view to part finance the construction of on-going power projects of the Company, the Company has approached various subscriber(s) for financial assistance for subscribing privately placed Bonds in the nature of Debentures and accordingly various subscriber(s) more particularly described in Part “A” and Part “B” of the ANNEXURE – I annexed hereto, agreed to subscribe 1600 - Secured Redeemable Non-Convertible Taxable Bonds (NCBs) in the nature of Debentures of the face value of Rs.10,00,000/- (Rupees Ten Lacs) each aggregating to Rs.160.00 Crores comprising of (i) Rs.40.00 Crores represented by the XI<sup>th</sup> Issue, carrying Fixed Coupon Rate Interest of 10.20% per annum and (ii) Rs.120.00 Crores represented by the XII<sup>th</sup> Issue, carrying Fixed Coupon Rate Interest of 9.25% per annum (XI<sup>th</sup> Issue NCBs and XII<sup>th</sup> Issue NCBs are hereinafter collectively referred to as the “**NCBs**” or as the “**Bonds**”) for cash at par in dematerialised form and on private placement basis upon terms and conditions stipulated in the relevant Information Memorandum/Disclosure Document (a) dated December 12, 2011 in respect of the XI<sup>th</sup> Issue and (b) dated June 25, 2012 in respect of the XII<sup>th</sup> Issue (hereinafter collectively referred to as “the Information Memorandums/Disclosure Documents”). A copy of each is annexed as Part “A” and Part “B” of ANNEXURE – II hereto.

Agreeable

III(a)(ii) The Salient features of material Terms and Conditions of the issue of NCBs are as under :-

<b>Sr. No.</b>	<b>Material Terms and Conditions</b>	<b>XI<sup>th</sup> Issue Stipulated as under :-</b>	<b>XII<sup>th</sup> Issue Stipulated as under :-</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
(1)	No. of NCBs	400 (001 to 400)	1200 (0001 to 1200)
(2)	Face value per NCBs	Rs.10 Lacs each	Rs.10 Lacs each
(3)(a)	Aggregate nominal value of NCBs	Rs.40.00 Crores	Rs.120.00 Crores

(3)(b)	Deemed Date of Allotment	15-12-2011	27-06-2012
(4)(a)	Mode of Issue	In Dematerialised Form	In Dematerialised Form
(4)(b)	Depository	(i) National Securities Depository Limited (NSDL) and (ii) Central Depository Services (India) Limited (CDSL)	(i) National Securities Depository Limited (NSDL) and (ii) Central Depository Services (India) Limited (CDSL)
(5)	Credit Rating	"[ICRA]AA-" by ICRA Limited (pronounced as ICRA Double A minus) Instrument with this ranking carries very low credit risk.	"[ICRA]AA-" by ICRA Limited (pronounced as ICRA Double A minus) Instrument with this ranking carries very low credit risk.
(6)	Rate of Interest	10.20% per annum.	9.25% per annum.
(7)	Mode of Interest Payment and Date of Commencement	Payable Semi-Annually commencing from 15 <sup>th</sup> December, 2011 being the Deemed Date of Allotment till maturity of Bonds or earliest upon exercising Put/Call Option, as the case may be.	Payable Semi-Annually commencing from 27 <sup>th</sup> June, 2012 being the Deemed Date of Allotment till maturity of Bonds.
(8)	(a) Semi-Annual Interest Payment Date(s) in each year (b) First Interest payment date (c) Last Interest payment date	(i) 15 <sup>th</sup> January and (ii) 15 <sup>th</sup> July  15 <sup>th</sup> January, 2012  15 <sup>th</sup> December, 2021	(i) 15 <sup>th</sup> May and (ii) 15 <sup>th</sup> November  15 <sup>th</sup> November, 2012  27 <sup>th</sup> June, 2022
(9)	Tenure of NCBs	10 Years (from 15 <sup>th</sup> December, 2011 to 15 <sup>th</sup> December, 2021)	10 Years (from 27 <sup>th</sup> June, 2012 to 27 <sup>th</sup> June, 2022) with staggered redemption at the end of the 6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> and 10 <sup>th</sup> years
(10)	Put/Call Option	Available at the end of 7 <sup>th</sup> year i.e. on 15 <sup>th</sup> December, 2018	No Put/Call Option is available
(11)	Redemption of the Bonds	At par at the end of 10 <sup>th</sup> year i.e. on 15 <sup>th</sup> December, 2021 from the Deemed Date of Allotment, viz., 15 <sup>th</sup> December, 2011	Staggered redemption of at 20% of the Face Value each at the end of the 6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> and 10 <sup>th</sup> years i.e. on 27 <sup>th</sup> June 2018, 27 <sup>th</sup> June 2019, 27 <sup>th</sup> June 2020, 27 <sup>th</sup> June 2021 and 27 <sup>th</sup> June 2022

(12)	Security/Assets cover (Minimum)	1.25 times (Minimum)	1.00 times (Minimum)
(13)	Listing of NCBs.	On the Wholesale Debt Market (WDM) Segment of Bombay Stock Exchange Limited (BSE)	On the Wholesale Debt Market (WDM) Segment of Bombay Stock Exchange Limited (BSE)
(14)	Security	Bonds are to be secured initially by the first legal Registered Mortgage and Charge on the said Properties comprising the (a) Gujarat Immovable Property and the (b) Gas Turbine Properties of the Assam Gas Based Power Project of the Company under this Bond Trust Deed.	Bonds are to be secured initially by the first legal Registered Mortgage and Charge on the said Properties comprising of (a) Gujarat Immovable Property and the (b) Plant & Machinery at the Generating Station Properties of the Ranganadi Hydro Electric Project of the Company under this Bond Trust Deed.
(15)	Debt/Equity Ratio based on latest Data as on 31st October, 2011.	(a) Prior to the Current Issue : 0.21 (b) Post the Current Issue : 0.22	(a) Prior to the Current Issue : 0.39 (b) Post the Current Issue : 0.43

III. (b) The Company has pursuant to :-

- (i) the resolution of its Board of Directors authorizing the issue of Bonds of the aggregate nominal value of Rs.160.00 crores, at its meetings as under:

Sl.	Date of Board Meeting	Description and amount of the Issue authorized (Rs. in Crores)
(a)	29 <sup>th</sup> November, 2011	XI <sup>th</sup> Issue of Rs.40.00 Crores
(b)	22 <sup>nd</sup> June, 2012	XII <sup>th</sup> Issue of Rs.120.00 Crores
		Total : Rs.160.00 Crores

and



- (ii) approval obtained in terms of the resolution under Section 293(1)(d) of the Companies Act, 1956 passed by the Members of the Company, at their Annual General Meeting held on August 26, 2004;
- (iii) approval obtained in terms of the resolution under Section 293(1)(a) of the Companies Act, 1956 passed by the Members of the Company, at their Annual General Meeting held on August 28, 2012;
- (iv) Presidential approval dated December 21, 2012 for creation of security by way of mortgage.

allotted 1600 - Secured Redeemable Non-Convertible Taxable Bonds (NCBs) in the nature of Debentures of the Face Value of Rs.10,00,000/- (Rupees Ten Lacs) each aggregating to Rs.160.00 Crores comprising of (i) Rs.40.00 Crores, represented by XI<sup>th</sup> Issue, carrying Fixed Coupon Rate of Interest of 10.20% per annum and (ii) Rs.120.00 Crores, represented by XII<sup>th</sup> Issue, carrying Fixed Coupon Rate of Interest of 9.25% per annum (hereinafter referred to as the “NCBs” or as the “Bonds”) for cash at par in dematerialised form on private placement basis to various subscriber(s) thereof more particularly described in Part – “A” and Part – “B” of the ANNEXURE – I annexed hereto, (the various subscriber(s) are hereinafter further referred to as “**the Beneficial Owner(s)**”). The Dates of Allotment are as under:

Sl.	Description and amount of the Issue (Rs. in Crores)	Date of Allotment
(a)	XI <sup>th</sup> Issue of Rs.40.00 Crores	15 <sup>th</sup> December, 2011
(b)	XII <sup>th</sup> Issue of Rs.120.00 Crores	27 <sup>th</sup> June, 2012
	Total : Rs.160.00 Crores	

The Company has subsequently obtained approval of its Members under Section 293(1)(a) of the Companies Act, 1956 at the Annual General Meeting held on August 28, 2012 and approval of the President of India vide letter dated December 21, 2012 to create mortgage against the assets of the company to secure the aforesaid Bonds.

IV.(a) The Bonds are being issued in dematerialised form and are subject to the provisions of the Depositories Act, 1996 and rules notified by National Securities Depositories Limited (NSDL) and Central Depository Securities (India) Limited (CDSL), from time to time.

(b) Therefore, the Company has entered into an Agreement with Depository viz. National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) for dematerialisation of privately placed debt and accordingly the subscriber(s) have been given credit to their respective beneficiary accounts as per details of depository, depository participant ID and the beneficiary account number provided by them in the application form.

V. The Trustees have at the request of the Company agreed to act as Trustees for the benefit of the Beneficial Owner(s)/holders of the Bonds.

VI.(a) Security

One of the terms of the issue of the Bonds is that the redemption of the principal amount of the Bonds, payment of interest, remuneration of the Trustees, liquidated damages and all costs, charges, expenses and other monies payable by the Company in respect of the Bonds of Rs.160.00 Crores will be secured inter alia by a first legal mortgage and charge on the Company's Gujarat Immovable Property and (i) the XI<sup>th</sup> Issue of NCBs of Rs.40.00 Crores by the Gas Turbine Properties and (ii) XII<sup>th</sup> Issue of NCBs of Rs.120.00 Crores by the Plant & Machinery Properties of the Company more particularly described respectively in Part – "A", Part – "B" and Part – "C" of the First Schedule hereunder written under these presents.

VI.(b) Security Cover/Margin

The Company has agreed to maintain a minimum security cover (i) of 1.25 times for the XI<sup>th</sup> Issue of NCBs of Rs.40.00 Crores and (ii) of 1.00 times for the XII<sup>th</sup> Issue of NCBs of Rs.120.00 Crores on its net fixed assets over all the secured long term borrowings outstanding plus the Bonds under these presents as mutually agreed upon and any other borrowings which may have a charge over the Fixed Assets of the Company during the currency of the Bonds. Assets revaluation shall not be taken into account for determining the minimum security cover.

VI.(c) **Change in Security :**

Any change in the manner of creation of security or details of documentation for the said Bonds shall be only with the prior written approval of the Beneficial Owner(s) and/or the Trustees.

**VII. Execution of Documents:**

- (a) The Company shall execute all relevant documents and create security for the said Bonds, as stated above, within a period of 3 months from the Date of Allotment or such extended period as may be permitted by the relevant authority(ies). The Company shall obtain the consent of the prior charge holders before the creation of security. The Company further undertakes to execute all the documents as may be required by Bondholder(s)/Beneficial Owner(s).
- (b) The Drafts of all the documents necessary for security creation in accordance with prescribed provisions shall be submitted for approval before being finalised, and any suggestions/modifications indicated by the Debenture Trustee shall be incorporated therein.
- (c) The Company hereby irrevocably and unconditionally agrees that the Company, its Directors, Successors and Assignee shall keep indemnified the Bondholder(s)/Beneficial Owner(s) for any loss that may be suffered by the Bondholder(s)/ Beneficial Owner(s) on account the subscription to their Bond issue, in the event that security creation and listing of Bonds is pending for more than 3 months from the date of allotment.

VIII. The Company proposes to constitute issue and secure the Bonds together with interest and all other monies payable in respect thereof initially by a first legal mortgage and charge on its Gujarat Immovable Property more particularly described in the First Schedule hereunder written, as permitted by the Trustees.

IX. The provisions of Urban Land (Ceiling and Regulation) Act, 1976 (hereinafter referred to as "ULCRA") (since repealed) are not applicable to the Company's Gujarat Immovable Property.

X. The Company and the Trustees hereby agree that the mortgage and charge on the Company's said Properties comprising (a) the Gujarat Immovable Property, (b) the Gas Turbine Properties and (c) the Plant & Machinery Properties shall be by way of a legal mortgage in English

Form under a Registered Bond Trust Deed being these presents and the Bonds will be constituted and issued hereunder.

**NOW THIS INDENTURE WITNESSETH AND IT IS HEREBY MUTUALLY AGREED AND DECLARED BY AND BETWEEN THE PARTIES HERETO AS UNDER:**

**1. DEFINITIONS**

In these presents, unless there is anything in the subject or context inconsistent therewith, the expressions listed below shall have the following meanings:-

1. "Financial Covenants and Conditions" means the covenants and conditions on the part of the Company to be observed and performed as set out in the **Second Schedule** hereunder written and as the same may from time to time, be modified in accordance with these presents.
2. "Bonds" means the Bonds of the Company constituted and issued on private placement basis in terms of these presents if required to be issued in Physical form to the Bondholder(s) in the form or substantially in the form set out in the Part – "A" of the **Third Schedule** hereunder written. However, since the Bonds are issued and allotted in dematerialised form to the Beneficial Owners) thereof therefore, a procedure to be followed by the Company as laid down in the Part – "B" of the **Third Schedule** hereunder written, together with the benefit of the Financial Covenants and conditions endorsed thereon comprising 1600 - Secured Redeemable Non-Convertible Taxable Bonds (NCBs) in the nature of Debentures of the face value of Rs.10,00,000/- (Rupees Ten Lacs) each aggregating to Rs.160.00 Crores comprising of (i) Rs.40.00 Crores, represented by XI<sup>th</sup> Issue, carrying Fixed Coupon Rate of Interest of 10.20% per annum and (ii) Rs.120.00 Crores, represented by XII<sup>th</sup> Issue, carrying Fixed Coupon Rate of Interest of 9.25% per annum.
3. "Bondholder(s)" or "Holders of Bonds" means who *are*, for the time being, holder(s) of the Bonds in Physical form and who have been entered in the Register of Bondholder(s) as hereinafter mentioned.

4. "Beneficial Owners" means the owners of the Bonds in Electronic (dematerialised) form, whose names are recorded in the List of Beneficial Owner(s) as prepared, held and given by the Depository viz. NSDL or CDSL as the case may be.
5. "Specifically Mortgaged Premises" means the said Properties, comprising of (a) the Gujarat Immovable Property of the Company in the State of Gujarat as more specifically described in the Part – "A", (b) "the Gas Turbine Properties" of the Company in the State of Assam, as more specifically described in the Part – "B" and (c) "the Plant & Machinery Properties" in the State of Arunachal Pradesh, as more specifically described in the Part – "C" of the First Schedule hereunder expressed to be granted, conveyed, transferred, assured and assigned as specific security for the redemption of the principal amount of the Bonds, interest, liquidated damages and other monies for the time being owing and intended to be secured hereunder in terms of the provisions of clause 4A hereof.
6. "Mortgaged Premises" means the Specifically Mortgaged Premises.
7. "Act" means the Companies Act, 1956.
8. "Repay" shall include "Redemption" and *vice versa* and repaid, repayable, repayment, redeemed, redeemable and redemption shall be construed accordingly.

Words denoting singular number only shall include plural number and *vice versa*.

Words denoting one gender only shall include the other gender.

Words denoting persons only shall include companies and bodies corporate.

Words and expressions defined in the Financial Covenants and Conditions shall, where used in these presents have the same meanings save where such meaning would render the same inconsistent with the definitions in this clause.

All references in these presents to any provision of any statute shall be deemed also to refer to the statute, modification or re-enactment thereof or any statutory rule, order or regulation made thereunder or under such re-enactment.

All references in these presents to Schedules, Clauses, Sub-Clauses, Paragraphs or Sub-paragraphs shall be construed as reference respectively to the Schedules, Clauses, Sub-clauses, Paragraphs and Sub-paragraphs of these presents.

The provisions contained in the Schedules hereunder written shall have effect in this manner as if they were specifically herein set forth.

## **2. AMOUNT OF BONDS AND COVENANT TO PAY PRINCIPAL AND INTEREST**

- (i) All Bonds are being issued and allotted for cash at par either in dematerialised form or in physical form and constituted hereunder are 1600 - Secured Redeemable Non-Convertible Taxable Bonds (NCBs) in the nature of Debentures of the face value of Rs.10,00,000/- (Rupees Ten Lacs) each aggregating to Rs.160.00 Crores comprising of (i) Rs.40.00 Crores, represented by XI<sup>th</sup> Issue, carrying Fixed Coupon Rate of Interest of 10.20% per annum and (ii) Rs.120.00 Crores, represented by XII<sup>th</sup> Issue, carrying Fixed Coupon Rate of Interest of 9.25% per annum privately placed with the Bondholder(s)/Beneficial Owner(s) as the case may be.
- (ii) The Company covenants with the Trustees that the Company shall pay to the Bondholders the interest and principal amount of the Bonds on the date(s) and in accordance with the provisions as set out in the Financial Covenants and Conditions of the Second Schedule hereunder written.
- (iii) All interest on the Bonds and on all other monies shall, in case the same are not paid on the respective due dates, carry further interest at the aforesaid rate computed from the respective due dates and shall become payable upon the footing of compound interest with quarterly rests.
- (iv) In case of default in redemption of the principal amount of the Bonds, payment of all interest and all other monies on their respective due dates, the Company shall pay on the defaulted amounts liquidated damages at the rate of 2% per annum for the period of default.
- (v) Interest and all other charges shall accrue from day to day and shall be computed on the actual/actual day count basis.
- (vi) If the due date in respect of any installment of principal amount of the Bonds, interest, liquidated damages, fees and all other monies payable under these presents falls on a holiday for the Company, the immediately succeeding working day shall be the due date for such payment.

*Provided* that if so called upon by the Trustees, the Company shall make payments as aforesaid to or to the order of or for the account of the Trustees at Mumbai and such payment shall be deemed to be in satisfaction of the aforesaid protanto covenant of the Company to make such payments to the Bondholder(s)/ Beneficial Owner(s). Such payments shall be passed on to the Bondholder(s)/Beneficial Owner(s), subject to the appropriation whereof in the order of preference mentioned in Financial Covenant and Condition No.(viii) of the **Second Schedule** hereunder written.

### **3. FORM OF THE BONDS**

- (i) (a) In the event, the Bonds are issued/required to be issued and allotted in physical form, the same shall be issued in the form or substantially in the form set out in the Part – “A” of the **Third Schedule** hereunder written and shall be endorsed with the Financial Covenants and Conditions set out in the **Second Schedule** hereunder written.
- b) In the event the Bonds are issued/required to be issued in dematerialised form, the same shall be subject to the provisions of the Depositories Act, 1996 and rules notified by National Securities Depositories Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) from time to time and the Company and the Beneficial Owner(s) thereof shall be required to observe and follow the procedure laid down in the Part – “B” of the **Third Schedule** hereunder written.
- (ii) The principal amount of the Bonds, together with Redemption Premium, if any, (inclusive of compound interest where applicable) and all other monies hereby secured shall, as between the holders of the Bonds, *inter se rank pari passu* without any preference or priority whatsoever on account of date of issue or allotment or otherwise.
- (iii) The Financial Covenants and Conditions shall be binding on the Company and the Bondholder(s)/Beneficial Owner(s) and all persons claiming by, through or under it and shall ensure for the benefit of the Trustees and all persons claiming by, through or under them. The Trustees shall be entitled to enforce the obligations of the Company under or pursuant to the Financial Covenants and Conditions as if the same were set out and contained in these presents which shall be read and construed as one document.

- (iv) The Company shall comply with the provisions of Section 113(1) of the Companies Act, 1956 read with the Companies (Issue of Share Certificate) Rules, 1960, for the issuance of the CCDs/Bonds in physical form.
- (v) When the Bonds are issued in the dematerialised form, the guidelines issued by NSDL/CDSL shall be followed.

#### **4. GRANT, CONVEY AND TRANSFER**

For the consideration aforesaid and as security for the redemption of the principal amount of the Bonds, payment of all interest, remuneration of the Trustees, fees, costs, charges, expenses and all other monies hereby secured or intended to be hereby secured, the Company doth hereby grant, convey, transfer and assure unto the Trustees:

- (a) all and singular the Gujarat Immovable Property more particularly described in Part A First Schedule hereunder written TOGETHER the all buildings, erections, godowns and constructions/ structures of every description which are erected, standing or attached or which may hereafter be erected and standing or attached to the aforesaid lands and premises or any part thereof and all trees, fences, hedges, ditches, ways, sewerages, drains, waters, water-courses, liberties, privileges, easements whatsoever to the aforesaid lands or any part thereof belonging to or in anywise appertaining or usually held, occupied, enjoyed therewith or reputed to belong or be appurtenant thereto AND ALL the estate, right, title, interest, property, claim and demand whatsoever of the Company into and upon the same, TO HAVE AND TO HOLD all and singular the aforesaid premises unto and to the use of the Trustees absolutely UPON TRUST and subject to the powers and provisions herein contained and subject also to the proviso for redemption hereinafter mentioned;
- (b) All the Gas Turbines at the Assam Gas Based Power Project at Bokuloni, Kathalguri, District Dibrugarh in the State of Assam, more particularly described in Part B First Schedule hereunder written;
- (c) All the Plant and Machinery in the Generating Station of the Ranganadi Hydro Electric Project at Yazali, Lower Subansiri District in the State of Arunachal Pradesh, more particularly described in Part C First Schedule hereunder written



PROVIDED THAT the Company has not given the possession of the Mortgaged Premises to the Trustees and has also not agreed to give the possession of the Mortgaged Premises to the Trustees.

**5. POWER OF TRUSTEES TO PERMIT THE COMPANY TO DEAL WITH THE PROPERTIES**

At any time before the security constituted hereunder becomes enforceable the Trustees may at the cost and request of the Company, and without any consent of the Bondholder(s)/ Beneficial Owner(s) do or concur with the Company in doing all or any of the things which the Company might have done in respect of the Specifically Mortgaged premises as if no security had been created and particularly but not by way of limitation may sell, call in, collect, convert, lease, purchase, substitute, exchange, surrender, develop, deal with or exercise any right in respect of all or any of the Specifically Mortgaged Premises on such terms and for such consideration as the Trustees may deem fit, provided that all properties of any description and all net capital monies arising from or receivable upon any such dealing as aforesaid and remaining after payment there from of the costs and expenses of and incidental to such dealing shall become part of the Specifically Mortgaged Premises and shall be paid or vested in or Specifically charged in favour of the Trustees in such manner as Trustees may require,

**6. EVENTS OF DEFAULT**

If one or more of the events specified in this Section (hereinafter called "events of default") shall have happened and such event of default continues, then the Bondholder(s)/ Beneficial Owner(s) by a notice in writing to the Company may declare all the Bonds outstanding together with Redemption Premium, if any, and all accrued interest thereon to be due and upon such declaration the same shall thereupon become due and payable forthwith and the security created in terms of Clause 4 hereof shall become enforceable (anything in this Agreement to the contrary notwithstanding) and the Bondholder(s)/Beneficial Owner(s) shall be entitled:-

1. to enter upon and take possession of the Specifically Mortgaged Premises of the Company ; and
2. to transfer the Specifically Mortgaged Premises of the Company by way of Issue of lease and licence or sale;

## **EVENTS OF DEFAULT**

### **a) DEFAULT IN REDEMPTION OF BONDS**

Default shall have occurred in the redemption of the Bonds together with Redemption Premium, if any, as and when the same shall have become due and payable.

### **b) DEFAULT IN PAYMENT OF INTEREST**

Default shall have been committed by the Company in the payment of any installment of interest on the Bonds and such default shall have continued for a period of thirty days.

### **c) ARREARS OF INTEREST**

Interest amounting to at least Rs.5000/- shall have been in arrears and unpaid for thirty days after becoming due.

### **d) DEFAULT IN PERFORMANCE OF COVENANTS AND CONDITIONS**

Default shall have occurred in the performance of any other covenants, conditions or agreements on the part of the Company under this Agreement or any other deed between the Company and the Bondholder(s)/Beneficial Owner(s)/ Bond Trustees and such default shall have continued for a period of thirty days after notice in writing thereof has been given to the Company by the Bondholder(s)/ Beneficial Owner(s)/Bond Trustees.

### **e) SUPPLY OF MISLEADING INFORMATION**

Any information given by the Company in its application to the Bondholder(s)/Beneficial Owner(s) for financial assistance by way of subscription to the Bonds is found to be misleading or incorrect in any material respect or any warranty referred in hereinbefore is found to be incorrect.

### **f) INABILITY TO PAY DEBTS**

If there is reasonable apprehension that the Company is unable to pay its debts or proceedings for taking it into liquidation either voluntarily or compulsorily may be or have been commenced in respect thereof.

### **g) INADEQUATE INSURANCE**

If the properties and assets offered as security to the Bond Trustees/Bondholder(s)/Beneficial Owner(s) for the Bonds are not insured and kept insured by the Company or depreciate in value to such an extent that in the opinion of the Bondholder(s)/ Beneficial Owner(s)/Bond Trustees further security to the satisfaction of the Bondholder(s)/Beneficial Owner(s)/Bond Trustees should be given and such security is not given.

**h) SALE, DISPOSAL AND REMOVAL OF SPECIFICALLY MORTGAGED PREMISES**

If without the prior approval of the Bond Trustees and Bondholder(s)/Beneficial Owner(s) any land, buildings, structures, plant and machinery forming a part of the Specifically Mortgaged Premises are sold, disposed of charged encumbered or alienated or the said buildings, structures, machinery, plant or other equipment are removed pulled down or demolished.

**i) PROCEEDINGS AGAINST COMPANY**

The Company shall have voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law.

**j) INABILITY TO PAY DEBTS ON MATURITY**

The Company is unable or has admitted in writing its inability to pay its debts as they mature.

**k) LIQUIDATION OR DISSOLUTION OF COMPANY**

The Company has taken or suffered any action to be taken for its reorganization, liquidation or dissolution.

**l) APPOINTMENT OF RECEIVER OR LIQUIDATOR**

A receiver or liquidator is appointed or allowed to be appointed of all or any part of the undertaking of the Company.

**m) ATTACHMENT OR DISTRAINT ON MORTGAGED PROPERTIES**

If an attachment or distraint is levied on the mortgaged properties or any part thereof and/or certificate proceedings are taken or commenced for recovery of any dues from the Company.

n) **EXTRAORDINARY CIRCUMSTANCES**

If extraordinary circumstances have occurred which make it improbable for the Company to fulfill its obligations under this Agreement.

o) **COMPANY CEASES TO CARRY ON BUSINESS**

If the Company ceases or threatens to cease to carry on its business or gives notice of its intention to do so.

p) **SECURITY IS IN JEOPARDY**

If, in the opinion of the Bond Trustees, the security of the Bondholder(s)/ Beneficial Owner(s) is in jeopardy.

q) **LIABILITIES EXCEED THE ASSETS**

If it is certified by an Accountant or a Firm of Accountants appointed by the Bond Trustees, that the liabilities of the Company exceed its assets.

r) **SICK UNDERTAKING**

If the Company is declared a sick undertaking under the provisions of the Sick Industrial Undertakings (Special Provisions) Act, 1985 or if a reference has been made to BIFR by a creditor under the said Act and the Company has not resolved the complaint or is nationalized or is under the management of the Central Government.

s) **ALTERATION IN PROVISIONS OF MEMORANDUM AND/OR ARTICLES OF ASSOCIATION**

If the Company, shall without the previous consent in writing of the Bond Trustees, make or attempt to make any alteration in the provisions of its Memorandum and/or Articles of Association which might in the opinion of the Bond Trustees detrimentally affect the interests of the Debenture-holder(s)/Beneficial Owner(s) and shall upon demand by the Bond Trustees refuse or neglect or be unable to rescind such alteration.

**(t) DEFAULT IN CREATION OF SECURITY**

If the Security is not created by the company within 3 months from the date of allotment or such extended period as may be permitted by the relevant authority(ies)

**7. TRUST OF THE MORTGAGED PREMISES**

The Mortgaged Premises shall be and remain security to the Trustees for the due repayment of the principal amount of the Bonds, together with Redemption Premium, if any, interest, Trustees' remuneration and all other monies payable under the Bonds and these presents intended to be hereby secured and the Trustees shall permit the company, until the happening of one or more of the events upon the happening of which the security hereby constituted shall become enforceable as herein provided, to hold and enjoy the Specifically Mortgaged Premises and to carry on therein and therewith the business authorised by the Memorandum of Association of the Company and upon the happening of any such event the Trustees may (but subject to the provisions as applicable) in their discretion, and shall, upon request in writing of the holders of Bonds, enter upon or take possession of and/or receive the rents, profits and income of the Specifically Mortgaged Premises or any of them or any part thereof and subject to and with the rights conferred on them by Clause 5 hereof may at their discretion and shall upon request of the Bondholder(s)/Beneficial Owner(s) as mentioned above (subject to the provisions of section 69 of the Transfer of Property Act, 1882) sell, call in, collect and convert into monies the same or any part thereof with full power to sell any of the Specifically Mortgaged Premises either by public auction or private contract and either for a lump sum or a sum payable by instalments or for a sum on account and a mortgage or charge for the balance and with full power upon every such sale to make any special or other stipulations as to title or evidence or commencement of title or as to the removal of any property which may be sold separately or otherwise as the Trustees shall think proper and with full power to buy in or rescind or vary any contract for sale of the Specifically Mortgaged Premises or any part thereof and to re-sell the same without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect compositions and for the purposes aforesaid or any of them to execute and do all such acts, assurances and things as they shall think fit PROVIDED ALWAYS that before making any such entry or taking possession as aforesaid or making any sale, calling in, collection or conversion under the aforesaid power in that behalf (hereinafter referred to as the "Power of Sale"),

the Trustees shall give written notice of their intention to the Company. But the Trustees shall not be bound to give any such notice in any case where they shall certify, either before or after entry, that in their opinion further delay would imperil the interests of the Bondholder(s)/Beneficial Owner(s), or in any case where an order or resolution for the winding up of the Company shall have been made or passed. The Trustees shall not exercise the Power of Sale if in the case of such power arising by reason of any default in payment of any monies due in respect of the principal together with Redemption Premium, if any, or interest, the Company shall prove to the Trustees the payment of monies so in arrears within three months next after the notice has been given or if in the case of such power arising by reason of any provision as herein stated the Company shall, within 7 (seven) days of the receipt of a notice, remove, discharge or pay out any distress, execution or process or fully perform the covenants, conditions or provisions breached, if capable of being performed, or make good the breach thereof, or pay adequate compensation for such breach to the satisfaction of the Trustees and any compensation so paid to the Trustees shall be deemed to be part of the Specifically Mortgaged Premises.

All the powers and provisions contained in or implied by these presents shall, notwithstanding anything contained herein or arising by virtue thereof or except in consultation with the Trustees, be subject and pari passu to those of the existing mortgages referred to hereinabove (hereinafter referred to as "the existing mortgages") and the same shall not be exercised or enforced by the Trustees hereunder so as to in anyway prejudice the rights and interests of the existing mortgages under their existing securities and except with the prior approval and consent of the existing mortgagees.

**8. TRUST OF PROCEEDS OF SALE/REALISATION OUT OF THE MORTGAGED PREMISES**

The Trustees shall hold UPON TRUST the monies, received by them or the Receiver in respect of the Mortgaged Premises or any part thereof arising out of :-

- (a) any sale, calling in, collection or conversion under the Power of Sale;
- (b) income;
- (c) policy or policies of insurance;

- (d) compensation money in respect of any acquisition and requisition or nationalisation or take-over of the management of the Company;
- (e) any other realisation whatsoever;

and they shall, in the first place, by and out of the said monies reimburse themselves and pay, retain or discharge all the costs, charges and expenses incurred in or about the entry, appointment of Receiver, calling in, collection, conversion or the exercise of the powers and trusts under these presents, including their, and the Receiver's remuneration as herein provided, and shall apply the residue of the said monies subject to the rights of the mortgagee as may be provided in a separate arrangement to be entered into between them and the Trustees:

FIRSTLY in or towards payment to the Bondholder(s)/Beneficial Owner(s) of all arrears of interest including compound interest (which shall be deemed to accrue due from day to day) remaining unpaid on the Bonds held by them;

SECONDLY in or towards payment to the Bondholder(s)/ Beneficial Owner(s) of all principal amounts together with Redemption Premium, if any, owing on the Bonds held by them and whether the said principal amounts together with Redemption Premium, if any, shall or Shall not then be due and payable;

THIRDLY in or towards payment of the surplus (if any) of such monies to the person or persons entitled thereto:

*Provided* that, if the Trustees are of the opinion that it is expedient to do so, payments may be made on account of principal together with Redemption Premium, if any, before the whole or part of the interest due on the Bonds has been paid off, but such alteration in the order of payment of principal together with Redemption Premium, if any, and interest herein prescribed shall not prejudice the right of the Bondholder(s)/Beneficial Owner(s) to receive the full amount to which they would have been entitled if the ordinary order of payment had been observed or any less amount which sum ultimately realised from the security may be sufficient to pay.

**9. POWER TO ACCUMULATE PROCEEDS OF SALE**

If, the amount of the monies at any time apportionable under Clause 8 hereof shall be less than 10% of the nominal amount of the Bonds then outstanding, the Trustees may, at their discretion, invest such monies in any one of the investments herein authorised with power from time to time at the like discretion to vary such investments and such investments with the resulting income thereof may be accumulated until the accumulations together with any other fund for the time being under the control of the Trustees and available for the purpose shall amount to a sum sufficient to pay ten per cent of the Bonds as shall be outstanding and the accumulations and funds shall be applied in the manner aforesaid. Provided that the Trustees shall not be liable for any loss which may be occasioned by any investment or variation thereof made by them pursuant to this Clause.

**10. NOTICE BEFORE PAYMENT**

The Trustees shall give not less than 14 days notice to the holders of the Bonds under Clauses 8 and 9 hereof and after the day so fixed the holder(s)/owner(s) of each outstanding Bond shall be entitled (subject to the provision in Clause 8 hereof) to interest on the balance only (if any) of the principal moneys due on such Bonds held by them after deducting the amount (if any) payable in respect of the principal thereof on the day so fixed.

**11. MEMORANDUM OF PART SATISFACTION**

Upon any payment under Clause 8 or Clause 9 above, not amounting to complete payment of all principal amounts and interest due thereon, the Bonds in respect of which payment is made shall be produced to the Trustees who shall cause a Memorandum of the amount and date of payment to be endorsed thereon. The Trustees may, in their discretion, dispense with the production and endorsement of Bonds as aforesaid, in any special case upon such indemnity as the Trustees may think fit.

**12. RECEIPT OF BONDHOLDER(S)**

The receipt of each holder of the Bonds or if there be more than one holder(s)/owner(s) of any such Bonds, then the receipt of any one of such holder(s)/owner(s) or of the survivors



or survivor for the principal monies and interest payable in respect of each Bond shall be a good discharge to the Trustees.

**13. TRUST OF BONDS NOT RECOGNISED**

The Trustees shall not be affected by any notice express or implied of the right, title or claim of any person to such monies other than the Bondholder(s)/Beneficial Owner(s).

**14. SURRENDER OF BOND CERTIFICATE ON PAYMENT**

(a) In respect of Bonds held in physical form

For payment to the Bondholder(s) in full discharge of all principal moneys due upon their Bonds, (held in physical form), the Bonds shall be surrendered and delivered unto the Company with the receipts in full discharge enclosed thereon and signed by the respective Bondholder(s).

(b) In respect of Bonds owned in electronic (dematerialised) form

For payment to the Beneficial Owner(s) in full discharge of all principal moneys due upon their Bonds owned in electronic (dematerialised) form, in that event, the Company shall make the payment of principal amount to the Beneficial Owner(s) of Bonds or to any subsequent Transferee who are entitled to receive the payment on the due date of redemption on receipt of the necessary Corporate Debit action from the Bond holder.

**15. REPURCHASE AND REISSUE OF BONDS**

The Company will have the power, as provided for under the Companies Act, 1956, exercisable at its absolute discretion from time to time to repurchase some or all the Debenture(s) at any time prior to the date of redemption.

Similarly, Bonds which are in electronic (dematerialised) form in that event, the same can be repurchased by the Company through its Beneficiary Demat Account as per the norms prescribed by NSDL and CDSL. This right does not construe a call option. In the event of the Bond(s) being bought back, or redeemed before maturity in any circumstance whatsoever, the Company shall be deemed to always have the right, subject to the

provisions of Section 121 of the Act, to re-issue such Bonds either by re-issuing the same Bond(s) or by issuing other Bonds in their place.

The Company may also, at its discretion, at any time purchase Bond(s) at discount, at par or at premium in the open market. Such Bond(s) may, at the option of Company, be cancelled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by law.

**16. BONDS FREE FROM EQUITIES**

The Bondholder(s)/Beneficial Owner(s) will be entitled to their Bonds free from equities or cross claims by the Company against the original or any intermediate holders thereof.

**17. REPLACEMENT OF BOND CERTIFICATES ISSUED IN PHYSICAL FORM**

If the Bond Certificate issued in physical form, hereunder is mutilated or defaced or worn out then upon production thereof to the Company, the Company shall cancel the same and issue a new certificate in lieu thereof. If any Bond Certificate is lost, stolen or destroyed then, upon proof to the satisfaction of the Company and upon furnishing such indemnity as the Company may deem adequate and upon payment of any expenses incurred by the Company in connection with proof of such indemnity the Company shall issue a new certificate. A fee will be charged by the Company not exceeding such sum as may be prescribed by law on each fresh Bond Certificate issued hereunder except certificates in replacement of those which are old, decrepit or worn out or defaced or where the cages for recording transfers have been fully utilised.

**18. FAILURE TO SURRENDER THE BOND CERTIFICATES**

In the event of any holder(s) of any Bond not surrendering such Bond Certificate the or the beneficial owner(s) failing to issue necessary Corporate Debit action, which the Company is ready to pay or satisfy in accordance with the terms of these presents, to the Company, within thirty days after the due date for redemption, the Company shall be at liberty to deposit in a Scheduled Bank in the name of the Trustees in an account which shall be operated by the Trustees for the purpose, an amount equal to the amount due to such Bondholder(s)/Beneficial Owner(s) in respect of such Bonds and upon such deposit being

made the Bonds which the Company is ready to pay or satisfy as aforesaid shall be deemed to have been paid off or satisfied in accordance with the provisions hereof.

**19. POWER OF THE TRUSTEES TO INVEST UNCLAIMED AMOUNT**

After provision for payment and satisfaction of the Bonds is made by the deposit in a Bank as aforesaid, the Trustees may invest the same in any of the investments herein authorised.

**20. TRUSTEES RIGHT TO CARRY ON BUSINESS**

On the happening of any Event of Default and upon the security hereby constituted becoming enforceable and after the Trustees shall have made entry or taken possession of the Mortgaged Premises and until the Mortgaged Premises shall be sold, called in, collected or converted under the Power of Sale as mentioned in Clause 7 hereinabove, the Trustees may, if they shall think fit so to do but not otherwise, either themselves carry on and manage the business of the Company in and with the Mortgaged Premises or any of them or appoint a Receiver to carry on and manage the same and the Trustees or the Receiver may manage and conduct the same as they shall in their discretion think fit.

The Trustees or the Receiver so appointed may for the purpose of carrying on the said business do all or any of the following acts and things viz.--

- (a) Employ or remove such experts, officers, agents, managers, clerks, accountants, servants, workmen and others and upon such terms with such salaries, wages or remuneration as the Trustees or the Receiver shall think proper;
- (b) repair and keep in repair the buildings and other property comprised in the Mortgaged Premises;
- (c) Insure all or any of the Mortgaged Premises of an insurable nature against loss or damage by fire and against such other risks in such sum or sums as the Trustees or the Receiver shall think fit;
- (d) Settle, arrange, compromise and submit to arbitration any account, claims, questions or dispute whatsoever which may arise in connection with the said

business or the Mortgaged Premises or in any way relating to the security and execute release other discharges in relation thereto;

- (e) Bring, take, defend, compromise, submit to arbitration and discontinue any actions, suits or proceedings whatsoever, civil or criminal, in relation to the business or any portion of the Mortgaged Premises;
- (f) Allow time for payment of any debt with or without security;
- (g) Subject to such consent as may be necessary demise or let out, sub-let or under let the Specifically Mortgaged Premises or any part or parts thereof for such terms at such rents and generally in such manner and upon such conditions and stipulations as the Trustees or the Receiver shall think fit;
- (h) Exchange any part or parts of the Specifically Mortgaged Premises for any other security or property suitable for the purposes of the Company whether forming part of the General Assets or not and upon such terms as may seem expedient and either with or without payment or receipt of moneys for equality of exchange or otherwise;
- (i) Assent to the modification of any contracts or arrangements which may be subsisting in respect of any of the Specifically Mortgaged Premises and, in particular the terms of any concession or licences for the time being held;
- (j) Execute and do all such acts, deeds and things as to the Trustees or the Receiver may appear necessary or proper for or in relation to any of the purposes aforesaid.

The Trustees or the Receiver so appointed may for any of the purposes aforesaid do or cause to be done all such acts and things respecting the business and the Mortgaged Premises as the Trustees/Receiver could do or cause to be done if the Trustees/Receiver had the absolute possession of the Mortgaged Premises and had carried on the said business for the benefit of the Trustees without being answerable for any loss or damage which may happen thereby.

**21. POWER OF TRUSTEES TO BORROW**

The Trustees may, with the consent in writing of the holder(s)/ owner(s) of Bonds representing not less than three-fourths in value of the nominal amount of the Bonds for the time being outstanding by a special resolution duly passed at a Meeting of Bondholder(s)/Beneficial Owner(s) convened in accordance with the provisions set out in the Fourth Schedule hereunder written, raise or borrow moneys on the security of the Mortgaged Premises or any part thereof ranking pari passu with or subservient to these presents as the Trustees with such consent or sanction shall decide, for the purpose of making any payment under or by virtue of these presents or in relation to the exercise or any powers, duties or obligations of the Trustees or the Receiver or otherwise in relation to the Mortgaged Premises or these presents or for the purpose of paying off or discharging any mortgages or charges for the time being on the Mortgaged Premises or any part thereof or any costs, charges and expenses which shall be incurred by the Trustees under or by virtue of these presents and the Trustees may raise and borrow such moneys as aforesaid at such rate or rates of interest and generally on such terms and conditions as the Trustees shall think fit.

**22. POWER OF TRUSTEES TO APPOINT RECEIVER**

Subject to the provisions of section 69A of the Transfer of Property Act, 1882, and to such of the provisions of law as may, for the time being, be applicable the Trustees, at any time after the security hereby constituted becomes enforceable and whether or not the Trustees shall then have entered into or taken possession of the Mortgaged Premises and in addition to the power hereinbefore conferred upon the Trustees after such entry into or taking possession may, in writing appoint any Officer(s) of the Trustees or any other person(s) as Receiver(s) of the Mortgaged Premises or any part thereof and remove any Receiver(s) so appointed and appoint any such other person(s) in his or their stead and unless the Trustees shall otherwise prescribe in writing such Receiver(s) shall have all the powers hereinbefore conferred upon the Trustees. All the provisions and powers hereinbefore declared in respect of a Receiver appointed by the Trustees after entering into or taking possession by the Trustees shall apply to a Receiver appointed before entering into or taking possession by the Trustees and in particular such Receiver shall be deemed to be the agent of the Company which shall be solely responsible for his acts and

defaults and for his remuneration. In addition to the foregoing, the following provisions shall also apply to such Receiver, subject to the provisions of Section 123 of the Act:-

**(a) Appointment before or after possession:**

Such appointment may be made either before or after, the Trustees shall have entered into or taken possession, of the Mortgaged Premises or any part thereof;

**(b) Receiver to be invested with powers by Trustees:**

Such Receiver may be invested by the Trustees with such powers and discretions including powers of management as the Trustees may think expedient;

**(c) Receiver to exercise powers vested in Trustees:**

Unless otherwise directed by the Trustees the Receiver shall have and may exercise all the powers and authorities vested in the Trustees;

**(d) Receiver to conform to regulations made by Trustees:**

The Receiver shall, in the exercise of his powers, authorities and discretion's, conform to the regulations and directions made and given by the Trustees from time to time;

**(e) Receiver's remuneration:**

The Trustees may, from time to time, fix remuneration of the Receiver and direct payment thereof out of the Mortgaged Premises, but the Company alone shall be liable for the payment of such remuneration.

**(f) Receiver to give security:**

The Trustees may, from time to time and at any time, require the Receiver to give security for the due performance of his duties as such Receiver and may fix the nature and the amount of the security to be given, but the Trustees shall not be bound in any case to require any such security.

**(g) Receiver to pay the monies:**

Unless otherwise directed by the Trustees all monies from time to time received by such Receiver shall be paid over to the Trustees to be held by them UPON THE TRUST herein

declared of and concerning the monies arising from any sale, calling in, collection or conversion.

**(h) Trustees may pay monies to Receiver:**

The Trustees may pay over to the Receiver any monies constituting part of the Mortgaged Premises to the extent that the same may be applied for the purposes hereof by such Receiver and the Trustees may, from time to time, determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver.

**(i) Receiver's power to borrow on Mortgaged Premises :**

Subject as provided herein the Receiver may for the purpose of carrying on the business of the Company as mentioned in (b) above, for defraying any costs, charges, losses or expenses (including his remuneration) which shall be incurred by him in exercise of the powers, authorities and discretion vested in him and for all or any of the purposes raise and borrow monies on the security of the Mortgaged Premises or any part thereof at such rate or rates of interest and generally on such terms and conditions as he may think fit, and no person lending any such money shall be concerned to inquire as to the propriety or purpose of the exercise of the said power or to see to the application of any monies so raised or borrowed provided that the Receiver shall not exercise the said power without first obtaining the written consent of the Trustees but the Trustees shall incur no responsibility or liability to any lender or otherwise by reason of their giving or refusing such consent whether absolutely or subject to any limitation or condition.

**(j) Receiver Agent of the Company :**

Every such Receiver shall be the agent of the Company for all purposes and the Company alone shall be responsible for his acts and defaults, losses or misconduct and liable on any contract or engagement made or entered into by him and for his remuneration and the Trustees and the Bondholder(s)/ Beneficial Owner(s) shall not incur any liability or responsibility therefor by reason of their making or consenting to his appointment as such Receiver.

**(k) Applicability of Transfer of Property Act, 1882:**

Subject as aforesaid the provisions of the Transfer of Property Act, 1882 and the powers thereby conferred on a Mortgagee or Receiver shall, so far as applicable, apply to such Receiver.

**23. INVESTMENT OF CAPITAL MONIES**

Subject as aforesaid, the Trustees shall invest the net capital monies referred to in Clause 5 hereof upon some or one of the investments hereinafter authorised or place the same upon deposit or in current account in the name of the Trustees with any Scheduled Bank or Banks with power from time to time at their discretion to vary such investments and with power from time to time at their discretion to resort to any such investments for any of the purposes for which such proceeds are under these presents authorised to be expended. And subject as aforesaid the Trustees shall stand possessed of the said investments UPON TRUST until the power of sale shall arise to pay the income thereof and any net monies in the nature of income arising to the Company and after the Power of Sale shall have arisen shall hold the said investments and monies and the income thereof respectively and the net monies in the nature of income UPON AND FOR TRUSTS and purposes hereinbefore expressed concerning the monies to arise from any sale, calling in, collection and conversion made as aforesaid, provided always that in default of such Power of Sale arising and after payment and satisfaction of all monies intended to be secured by these presents the said investment monies and income thereof and net monies as aforesaid shall be held in trust for the Company or its assigns.

**24. AUTHORISED INVESTMENTS**

Any monies which under the trust or powers herein contained ought to be invested by the Trustees may be invested in the name of the Trustees or under the legal control of the Trustees in any of the investments by law authorised for investment of Trust monies for the time being in force in India with power to vary and transpose such investments and in so far as the same shall not be invested shall be placed on deposit in the name of the Trustees in Scheduled Bank or Banks.

**25. POWER OF TRUSTEES UPON EXECUTION BEING LEVIED**



In addition to the powers hereinbefore given, the Trustees may enter into or take possession of and hold or appoint a Receiver to take possession of and hold any part or parts of the Mortgaged Premises which may at any time appear to them to be in danger of being taken under any process of law by any creditor of the Company or be otherwise in jeopardy and where a Receiver is appointed under this Clause the provisions of Clauses 17 and 19 hereof shall apply *mutatis mutandis* and the Trustees may at any time give up possession or discharge the Receiver.

**26. TRUSTEES AND RECEIVER NOT LIABLE TO ACCOUNT AS MORTGAGEES IN POSSESSION**

The Trustees shall not, nor shall any Receiver as aforesaid, be liable by reason of the Trustees or such Receiver entering into or taking possession of the Mortgaged Premises or any part or parts thereof to account as mortgagees in possession or for anything, except actual receipts or be liable for any loss upon realisation or for any default or omission for which a mortgagee in possession might be liable.

**27. TRUSTEES MAY GIVE UP POSSESSION**

If and when the Trustees shall have made an entry unto or taken possession of the Mortgaged Premises under the powers conferred upon the Trustees by these presents, the Trustees, with the authority of a Special Resolution of the Bondholder(s)/Beneficial Owner(s) passed at a meeting convened in accordance with the provisions set out in the Fourth Schedule hereunder written or with the consent in writing of the holder(s)/owner(s) of Bonds representing not less than three-fourths in value of the nominal amount of the Bonds for the time being outstanding may at any time afterwards give up possession of the Mortgaged Premises or any of them or any part or parts thereof to the Company either unconditionally or upon such terms and conditions as may be specified in such resolution or consent.

**28. APPLICATION OF MONIES FROM BUSINESS**

The Trustees shall, out of the monies received by the Trustees in carrying on the business as mentioned in Clause 17 above and out of the rents, profits and income of the Mortgaged Premises, pay and discharge the costs, charges and expenses incurred in carrying on the business including the remuneration of the Receiver, if any, and in the management of the Mortgaged Premises or in the performance or exercise or the

attempted performance or exercise of the powers and duties under these presents and all other outgoings which the Trustees or Receiver shall think fit to pay and shall pay and apply the residue of the said receipts, rents, profits and monies in the manner hereinbefore provided with respect to the monies arising from any sale or conversion under the Power of Sale or conversion under these presents.

**29. WHEN TRUSTEES MAY INTERFERE**

Until the happening of any of the Event(s) of Default set out in Clause 6 above the Trustees shall not be in any manner required, bound or concerned to interfere with the management of the affairs of the Company or its business or the custody, care, preservation or repair of the Mortgaged Premises or any part thereof.

**30. (a) COMPANY TO KEEP RECORDS OF BONDHOLDER(S)**

(i) REGISTER OF BONDHOLDER(S): In respect of Bonds in physical form

The Company shall as required by the Act, keep at its Registered Office/Corporate Office a Register of the Bondholder(s) holding Bonds in physical form showing (a) the name and address and the occupation, if any, of each holder, (b) the amount of the Bonds held by each holder distinguishing each Bond by its number and the amount paid or agreed to be considered as paid on those Bonds, (c) the date on which each person was entered in the Register as a Bondholder, (d) the date on which any person ceased to be a Bondholder and (e) the subsequent transfers and changes of ownership thereof. The Bond Trustees and/or the Bondholder(s) or any of them or any other person shall, as provided in Section 163 of the Act, be entitled to inspect the said Register and to take copies of or extracts from the same or any part thereof during usual business hours. The Register may be closed by the company at such time and for such periods as it may think fit in accordance with the provisions of the Act after giving not less than 7 days' previous notice by advertisement in some newspaper circulating in the district in which the Company's Registered Office is situated. No transfer will be registered during such period when the register of Bondholder(s) remains closed.

(ii) LIST OF BENEFICIAL OWNERS: In respect of Bonds in electronic (dematerialised) form

The Company shall request the Depository viz., NSDL and/or CDSL, as the case may be, to provide a List of Bondholder(s)/ Beneficial Owner(s) on the Record Date. This shall be the List which shall be considered for payment of interest, repayment of principal and amortisation. The Record Date for all payments will be the day immediately pre-ceding the period of 15 days prior to the interest payment date or redemption date, as the case may be. In case the Record Date falls on a holiday for the Company, the immediately following working day will be deemed as the Record Date.

### **30. (b) COMPANY TO ISSUE BOND CERTIFICATES**

(i) In physical form

After completion of all legal formalities the Company will issue in the first instance Bond Certificate(s) within a period of 3 months from the date of allotment or within such further time as may be allowed in accordance with Section 113 of the Act to each Bondholder against surrender of Original Letter(s) of Allotment, free of charge Bond Certificate under the Common Seal of the Company in respect of his holding showing on the face thereof the denomination, number and amount of the Bond or Bonds and referring to these presents.

(ii) In electronic (dematerialised) form

The Company shall immediately on allotment of Bonds shall take reasonable steps to credit the Beneficiary Account of the Allottee(s) with NSDL or CDSL, as the case may be as mentioned in the Application Form, with the number of Bonds allotted.

### **31. COMPANY'S COVENANTS**

A. In addition to the covenants specified in the respective Subscription Agreement / Letter of Intent the Company declares, represents and covenants as follows:-

- (i) The Specifically Mortgaged Premises herein before expressed to be granted, conveyed, assigned, transferred and assured are absolute property of the Company and are free from any other Mortgage, charge or encumbrance and are not subject to any *lis pendens*, attachment, or other process issued by any court or other authority;

- (ii) That notwithstanding anything done or executed by the Company or omitted to be done or executed or knowingly suffered to the contrary the Company now has power to act, convey, transfer assure and assign unto the Trustees the Specifically Mortgaged Premises;
  
- (iii) That it shall be lawful for the Trustees upon entering into or taking possession under the provisions herein contained of all or any of the Mortgaged Premises henceforth to hold and enjoy the same and to receive the rents and profits thereof without any interruption or disturbance by the Company or any other person or persons claiming by, through, under or in trust for Company and that freed and discharged from or otherwise by the Company sufficiently indemnified against all encumbrances and demands whatsoever;
  
- (iv) That the Company shall execute all such deeds, documents and assurances and do all such acts and things as the Trustees may reasonably require for exercising the rights under these presents and the Bonds or for effectuating and completing the security intended to be hereby created and shall from time to time and at all times after the security hereby constituted shall become enforceable execute and do all such deeds, documents, assurances, acts, and things as the Trustees may require for facilitating realisation of the Mortgaged Premises and for exercising all the powers, authorities and discretion thereby offered on the Trustees or any Receiver and in particular the Company shall execute all transfers, conveyances, assignments and assurances of the Mortgaged Premises whether to the Trustees or to their nominees which the Trustees may think expedient and shall perform or cause to be performed all acts and things requisite or desirable for the purpose of giving effect to the exercise of any of the said powers, authorities and discretion's and further shall for such purposes or any of them make or consent to such application to any Government or local authority as the Trustees may require for the consent, sanction or authorisation of such authority to or for the sale and transfer of the Mortgaged premises or any part thereof and it shall be lawful for the Trustees to make or consent to make any such application in the name of the Company and for the purposes aforesaid a certificate in writing signed by the

Trustees to the effect that any particular assurance or thing required by them is reasonably required by them shall be conclusive evidence by the fact.

## **B. Affirmative covenants**

The Company covenants with the Trustees that the company shall at all times during the continuance of the Bonds:-

- (i) Conduct its business with due diligence and efficiency and in accordance with sound engineering, technical, managerial and financial standards and business practices with qualified and experienced management personnel;
- (ii) Utilise the monies received towards subscription of the Bonds for financing the construction of its on-going power projects and at the end of every financial year or any other dates in terms of Term Sheet/Subscription Agreement/Deal Confirmation Letters, furnish to the Trustees a statement showing the manner in which the said monies have been utilised;
- (iii) Maintain and keep in proper order, repair and in good condition the Mortgaged Premises. In case the Company fails to keep in proper order, repair and in good condition the Mortgaged Premises or any part thereof, then, in such case, the Trustees may, but shall not be bound to, maintain in proper order or repair or condition the Mortgaged Premises or any part thereof and any expense incurred by the Trustees and their costs and charges thereof shall be reimbursed by the Company;
- (iv) Insure and keep insured upto the replacement value thereof or on such other basis as approved by the Trustees (including surveyor's and architect's fees) the Mortgaged Premises against fire, theft, lightning, explosion, earthquake, strike, lock out, civil commotion, storm, tempest, flood, marine risk, erection risk, war risk and other risk as may be specified by the Trustees and shall duly pay all premia and other sums payable for that purpose. The Company shall ensure that the Insurance Policy in respect of the Mortgaged Premises is endorsed as "Loss Payee" in favour of the Trustees and have a copy of the said Policy and renewals thereof delivered to the Trustees as and when the same are available. The Company shall deliver to the Trustees an Auditors' Certificate as and when

requested by the Trustees certifying the adequacy of Insurance coverage for the assets provided as security. In the event of failure on the part of the Company to insure the mortgaged premises or to pay the insurance premia or other sums referred to above, the Trustees may but shall not be bound to get the mortgaged premises insured or pay the insurance premia and other sums referred to above which shall be reimbursed by the company;

- (iv) Keep proper books of account as required by the Companies Act, 1956 and make true and proper entries therein of all dealings and transactions of and in relation to the Mortgaged Premises and the business of the company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the Mortgaged Premises and the business of the Company shall at reasonable times be open for inspection of the Trustees and such person or persons, as the Trustees shall, from time to time, in writing for that purpose appoint;
- (v) Give to the Trustees or to such person or persons as aforesaid such information as they or any of them shall require as to all matters relating to the business, property and affairs of the Company and at the time of the issue thereof to the shareholder(s)/owner(s) of the Company furnish to the Trustees three copies of every report, balance sheet, profit and loss account, circulars or notices, issued to the shareholder(s)/ owner(s) and the Trustees shall be entitled if they think fit, from time to time, to nominate a firm of Chartered Accountants to examine the books of account, documents and property of the Company or any part thereof and to investigate the affair's thereof and the Company shall allow any such accountant or agent to make such examination and investigation and shall furnish him with all such costs, charges and expenses of and incidental to such examination and investigation;
- (vi) Permit the Trustees and such person, as they shall from time to time in writing for that purpose appoint to enter into or upon and to view the state and condition of all the Mortgaged Premises and pay all travelling, hotel and other expenses of any person whom the Trustees may depute for the purpose of such inspection and if

the Trustees shall, for any reason, decide that it is necessary to employ an expert, to pay the fees and all travelling, hotel and other expenses of such expert;

- (vii) Punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Trustees produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the security created and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the company in respect of or any part of the mortgaged premises;
- (viii) Apply for and make its best endeavour to obtain renewal of the leases under which any of the leasehold land forming part of the mortgaged premises may, during the continuance of the security, be held as and when the same may be due for renewal in accordance with the provisions thereof and duly vest in the Trustees as part of the Mortgaged Premises and in such manner as the Trustees may direct all such renewed leases;
- (ix) Forthwith give notice in writing to the Trustees of commencement of any proceedings directly affecting the Mortgaged Premises;
- (x) Duly cause these presents to be registered in all respects so as to comply with the provisions of the Companies Act, 1956 and also cause the trust deed to be registered in conformity with the provisions of the Indian Registration Act, 1908 or any other Act, ordinance or regulation of or relating to any part of India, within which any portion of the Mortgaged Premises is or may be situated by which the registration of deeds is required and generally do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents and in accordance with the Company's Memorandum and Articles of Association;
- (xi) Diligently preserve its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and that it will comply with each and every one of the said franchises and concessions and all acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the

mortgaged premises or any part thereof PROVIDED THAT the company may contest in good faith the validity of any such acts, rules regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Bonds or the security of the Bonds is not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or where by payment of the principal of or interest on the Bonds might or would be hindered or delayed.

- (xii) Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the laws for the time being in force in the State in which its properties are situated or otherwise, and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Trustees will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustees on demand.
- (xiii) Reimburse all sums paid or expenses incurred by the trustees or any receiver, attorney, manager, agent or other person appointed by the trustees for all or any of the purposes mentioned in these presents immediately on receipt of a notice of demand from them in this behalf. All such sums shall carry interest at the rate of three percentage points above the Prime Lending Rate of the Trustees as from the date when, the same shall have been advanced, paid or become payable or due and as regards liabilities, the Company will, on demand, pay and satisfy or obtain the releases of such persons from such liabilities and if any sum payable under this clause shall be paid by the Trustees the Company shall, forthwith on demand, reimburse the same to the trustees. Until payment or reimbursement of all such sums, the same shall be a charge upon the mortgaged premises in priority to the charge securing the Bonds.
- (xiv) Promptly inform the Trustees if it has notice of any application for winding up having been made or any Statutory notice of winding up under the Companies Act or otherwise of any suit or other legal process intended to be filed or initiated against the Company and affecting the title to the Company's properties or if a receiver is appointed of any of its properties or business or undertaking.



- (xv) Promptly inform the Trustees of the happening of any labour strikes, lockouts, shut-downs, fires or any event likely to have a substantial effect on the Company's profits or business and of any material changes in the rate of production or sales of the company with an explanation of the reasons therefore.
- (xvi) Promptly inform the Trustees of any loss or damage which the Company may suffer due to any *force majeure* circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc., against which the company may not have insured its properties.
- (xvii) Make satisfactory arrangements for meeting working capital requirements and furnish a letter to this effect as and when requested by the Trustees.
- (xviii) The company shall furnish quarterly report to the Bond Trustee containing the following particulars:
  - a) Updated list of the names and addresses of the Bond Holders.
  - b) Details of the interest due, but unpaid and reasons thereof.
  - c) The number and nature of grievances/ complaints received from the Bond Holders and the details of action taken by the Company to resolve those grievances/ complaints; and
  - d) A statement that those assets of the Company which are available by the way of security are sufficient to discharge the claims of the Bond Holders as and when they become due.
  - e) Such other information as may be requested by the Bond Trustee

### **C. Negative Covenants**

The Company covenants with the Trustees that during the continuance of the Bonds, without the prior written approval of the Trustees, the Company shall not:-

- (a) Pull down or remove any building or structure (except any temporary structure) on the land for the time being forming part of the Specifically Mortgaged Premises or the fixed plant or machinery or any fixtures or fittings annexed the same or any of

them except in the ordinary course of repair and maintenance or improvement or replacement or otherwise in the course of and for the purposes of carrying on the business of the company and the Company will in such case forthwith restore or procure to be restored such building, structure, plant, machinery, fixtures or fittings as the case may be, or replace the same or procure the same to be replaced by others of a similar nature and of at least equal value;

- (b) Declare or pay any dividend to its shareholder during any financial year unless it has paid the instalment of principal together with Redemption Premium, if any, and interest then due and payable on the Bonds, or has made provisions satisfactory to the trustees for making such payment;
- (c) Sell or dispose of the Mortgaged Premises or any part thereof or create thereon any mortgage, lien or charge by way of hypothecation, pledge or otherwise howsoever or other encumbrance of any kind whatsoever;
- (e) Undertake or permit any merger, consolidation, reorganisation, scheme of arrangement or compromise with its creditors or shareholder(s) / owner(s) or effect any scheme of amalgamation or reconstruction.

#### **D. Special Covenants**

So long as the Bonds are outstanding, the Company agrees and undertakes and covenants as specially as under:-

- (a) Submission of periodical reports
- (i) Working results

The Company shall furnish quarterly / half-yearly as the case may be working results and other related information as and when required to do so to the Trustees/ Bondholder(s)/Beneficial Owner(s).

- (ii) Assets/Security Cover

The Company shall submit a quarterly report, certified by an independent Chartered Accountant to the Trustee containing inter alia a statement that the

assets available as security are sufficient to discharge the claims of the Bond Holder(s) / Beneficial Owner(s) as and when the same become due;

**(iii) Utilisation of the proceeds**

The Company shall furnish to the Beneficial Owner(s) / the Bond Holder(s) and the Trustees a Certificate from Chartered Accountant confirming utilisation of the proceeds at the end of every financial year or any other dates in terms of the issue certifying that the proceeds of the issue shall be utilised for part financing the construction of on-going power projects of the Company and shall not be utilised by the Company for the purpose of financing/ replenishing funds.

**(b) Execution of documents and creation of security**

The Company shall execute all relevant documents and create security for the Bonds in accordance with Sanction Letters/Deal Confirmation Letters/Subscription Agreement and furnish an undertaking to the Debenture-holder(s)/ Beneficial Owner(s) and the Trustees to that effect.

**(c) Any change in Board of Directors**

The Company shall inform the Trustees of any major change in the composition of its Board of Directors, which may amount to change in control as per SEBI (SAST) Regulations, 1997.

**(d) Any change in conduct of business**

The Company shall not make any change in the nature and conduct of its business without prior intimation to the Trustees.

**(e) Order(s) affecting Charged Assets**

The Company shall keep the Trustees informed about all Order(s), Direction(s), Notice(s) of any Court / Tribunal affecting or likely to affect the Charged Assets.

**E. NOMINEE DIRECTOR**

Debenture trustee will have the right to appoint a nominee director on the Board of the body corporate in the event of:

- a) two consecutive defaults in payment of interest to the debenture holders; or
- b) default in creation of security for debentures; or
- c) default in redemption of debentures;

The Nominee Director so appointed pursuant to above shall not liable to retire by rotation nor shall be required to hold any qualification share. The Company shall take steps to amend its Articles of Association, if necessary. The aforesaid power shall be exercised subject to Clause 21 of the Articles of Association of the Company wherein appointment of the Board of Directors can only be done by the President of India.

#### **F. BOND REDEMPTION RESERVE**

The Company hereby agrees that it would create Bond Redemption Reserve (BRR) in accordance with the provisions of the Companies Act, 1956 and also any Regulations issued by SEBI or any guidelines issued by the Central Government from time to time during the currency of these presents, or by any Government Agency or Corporation having authority under the law in respect of creation of Bond Redemption Reserve, the Company shall abide by such guidelines and execute all such supplemental letters, Agreements and deeds of modification as may be required by the Debenture-holder(s)/Beneficial Owner(s) or the Trustees. The Company shall submit to the Trustees a certificate duly certified by the Auditors certifying that the Company has transferred suitable sum to the Bond Redemption Reserve at the end of each financial year.

The Company hereby agrees and undertakes that, if during the currency of this presents, any further guidelines are formulated (or modified or revised) by the Central Government or any other authority in respect of creation of Bond Redemption Reserve the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Bondholder(s)/ Beneficial Owner(s) or the Trustees.

**32. CLAIM FOR COMPENSATION MONIES**

In the event of the Government taking over the management of the Company and/or the Specifically Mortgaged Premises and/or in the event of nationalisation of the Company or its business or a moratorium being passed or in case the running of the business of the company or its management or control is taken away either as part of any unemployment relief scheme or for any other reason whatsoever, or under the provisions of the Industries (Development and Regulation) Act, 1951 or under any other Act, the Trustees shall be entitled to receive the whole of the compensation to which the Company shall be entitled and to apply same or a sufficient portion thereof in accordance with provisions set out in Clause 8 above and all monies secured hereunder shall become immediately payable and the security created hereunder shall become enforceable.

**33. PURCHASERS AND PERSONS DEALING WITH TRUSTEES NOT PUT ON ENQUIRY**

No purchaser, mortgagor, mortgagee or other person dealing with the Trustees or any Receiver appointed by them or their attorneys or agents shall be concerned to inquire whether the power exercised or purported to be exercised has become exercisable or whether any money remains due on the security of these presents or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been made or otherwise as to the propriety or regularity of any sale, calling in, collection or conversion or to see to the application of any money paid to the Trustees or Receiver and in the absence of *mala fides* on the part of such purchaser, mortgagor, mortgagee or other person such dealing shall be deemed, so far as regards the safety and protection of such person, to be within the powers hereby conferred and be valid and effectual accordingly and the remedy of the Company or its assigns in respect of any impropriety or irregularity whatsoever in the exercise of such power shall be in damages only.

**34. RECEIPT OF TRUSTEES TO BE EFFECTUAL DISCHARGE**

Upon any such sale, calling in collection or conversion as aforesaid and upon any other dealing or transaction under the provisions herein contained the receipt of the Trustees for the purchase money of any of the Mortgaged Premises sold and for any other monies paid otherwise howsoever to them shall effectually discharge the purchaser or purchasers or

person paying the same there from and from being concerned to see to the application or being answerable for the loss or misapplication or non application thereof.

**35. APPLICATION TO COURT**

The Trustees may at any time after the security hereby constituted becomes enforceable apply to the Court for an order that the powers and trusts hereof be exercised and carried into execution under directions of the Court and for the appointment of a Receiver or Receivers and Manager of the Mortgaged Premises or any of them and for any other order in relation to the execution and administration of the powers and trusts hereof as the Trustees shall deem expedient and they may assent to or approve of any application to the Court made at the instance of any of the Bondholder(s)/Beneficial Owner(s) and shall be indemnified by the Company against all costs, charges and expenses incurred for or in relation to any such application or proceeding.

**36. LIMITATION OF LIABILITIES OF TRUSTEES**

In addition to the other powers conferred on the Trustees and provisions for their protection and not by way of limitation or derogation of anything in these presents contained nor of any statute limiting the liability of the Trustees. IT IS EXPRESSLY DECLARED as follows:-

- (i) The Trustees may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Trustees or otherwise and shall not be responsible for any loss occasioned by so acting. Any such advice, opinion or information and any communication passing between the Trustees and their representative or attorney or a receiver appointed by them may be obtained or sent by letter, telegram, cablegram, telex or telephonic message and the Trustees, their representative or attorney or the receiver shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telegram, cablegram, telex or telephonic message although the same shall contain some error or shall not be authentic;
- (ii) The Trustees shall be at liberty to accept a certificate signed by any one of the directors of the Company as to any act or matter *Prima facie* within the knowledge

of the company is sufficient evidence thereof and a like certificate that any property or assets are in the opinion of the director so certifying worth a particular sum or suitable for the company's purpose or business as sufficient evidence that it is worth that sum or so suitable and a like certificate to the effect that any particular dealing or transaction or step or thing is in the opinion of the director so certifying expedient as sufficient evidence that it is expedient and the trustees shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by their failing to do so;

- (iii) The Trustees may accept, without inspection, inquiry or requisition, such title as the Company may have to the Mortgaged Properties and shall not be bound or concerned to examine or inquire into or be liable for any defect in or any insufficiency of these presents or in or of the title to the Mortgaged properties or any part thereof or the description thereof in the First Schedule hereunder written or anything relating thereto and they shall not be in anyway be liable for accepting such title as the Company has to the Mortgaged Properties notwithstanding any defects which may exist therein and objection which can be made thereto and the Trustees shall not be in anywise concerned to see that any title deeds that may be handed over to the Trustees constitute the entirety of the title deeds relating to the Mortgaged Properties nor shall they be responsible for any loss or damage occasioned by the fact that all the title deeds were not handed over to the Trustees or are not in the possession of and held by the Trustees;
- (iv) Subject to the provisions of section 119 of the Companies Act, 1956, the Trustees shall not be responsible for the consequences of any mistake, oversight or error of judgement or forgetfulness or want of prudence on their part or on the part of any attorney, receiver, agent or other person appointed by them and shall not be responsible for any misconduct on the agent or other person appointed by them or be bound to supervise the proceedings of any such appointee;
- (v) The Trustees shall not be bound to give notice to any person of the execution hereof or to see to the performance or observance of any of the obligations hereby imposed on the Company or in any way to interfere with the conduct of the Company's business unless and until the security hereby constituted or the rights

under the Bonds shall have become enforceable and the Trustees shall have determined to enforce the same;

- (vi) The Trustees shall be at liberty to keep these presents and all deeds and other documents of title relating to any of the properties charged/ to be charged to the Trustees at their registered office or elsewhere or if the Trustees so decide with any banker or Company whose business includes undertaking the safe custody of documents or with an advocates or firm of solicitors and the Trustees shall not be responsible for any loss incurred in connection with any such deposit and the Trustees may pay all sums required to be paid on account of or in respect of any such deposit;
- (vii) The Trustees shall not be bound to take any steps to ascertain whether any event of default has happened upon the happening of which the security for the Bonds or the rights under the Bonds becomes enforceable;
- (viii) The Trustees shall, as regards, all trusts, powers, authorities and discretion's, have absolute and uncontrolled discretion, in consultation with Debenture-holder(s)/Beneficial Owner(s), as to the exercise thereof and to the mode and time of exercise thereof and in the absence of fraud shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the exercise or non exercise thereof and in particular they shall not be bound to act at the request or direction of the Bondholder(s)/ Beneficial Owner(s) under the provisions of these presents unless sufficient monies shall have been provided or provision to the satisfaction of the Trustees made for providing the same and the Trustees are indemnified to their satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;
- (ix) With a view to facilitating any dealing under any provisions of these presents the Trustees shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;
- (x) The Trustees shall not be responsible for the monies paid by applicants for the Bonds;



- (xi) The Trustees shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Bondholder(s)/Beneficial Owner(s) in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Bondholder(s)/Beneficial Owner(s);
- (xii) Without prejudice to the rights to indemnify by law given to the Trustees, the Trustees and every receiver, attorney, manager appointed by them shall subject to the provisions of the Companies Act be entitled to be indemnified out of properties charged/to be charged to the Trustees in respect of all liabilities and expenses incurred by them or him in the execution or purported execution of the powers and trusts thereof including liabilities and expenses consequent to any mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of the Trustees or any such appointee and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in anywise relating to the properties charged/to be charged to the Trustees and the Trustees may retain and pay out of any monies in their hands the amount of any liabilities and expenses necessary to effect such indemnity and also remuneration of the Trustees as herein provided and the Trustees shall have a lien on the properties charged/to be charged to the Trustees for all money payable to them arising out of or in connection with these presents or the issue of the Bonds;
- (xiii) The Trustees shall have full power, in consultation with Bondholder(s)/Beneficial Owner(s), to determine all questions and doubts arising in relation to any of the provision of these presents and every such determination *bona fide* made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Trustees) shall be conclusive and binding upon all persons interested under these presents;
- (xiv) The Trustees shall not be liable for anything whatsoever except a breach of trust knowingly and intentionally committed by the Trustees;
- (xv) The Trustees shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts expressed in these presents or contained or any of them or in enforcing the covenants contained therein or any of them or in

giving notice to any person or persons of the execution thereof or in taking any other steps which may be necessary, expedient or desirable for the purpose of perfecting, or enforcing the security for the Bonds or for any loss or injury which may be occasioned by reason thereof unless the Trustees shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the holder(s) representing not less than three-fourths of the nominal amount of the Bonds for the time being outstanding or by a special resolution duly passed at a meeting of the Bondholder(s)/Beneficial Owner(s) and the Trustees shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient moneys shall have been provided or provision to the satisfaction of the Trustees made for providing the same by or on behalf of the Bondholder(s)/Beneficial Owner(s) or some of them in order to provide for any costs, charges and expenses which the Trustees may incur or may have to pay in connection with the same and the Trustees are indemnified to their satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request.

PROVIDED NEVERTHELESS that nothing contained in this clause shall exempt the Trustees from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty in relation to their duties thereunder.

- (xvi) The Trustees do not make any representation and warranty as to the adequacy of the security for the Bonds.

**37. POWER OF COMPANY TO WITHDRAW PROPERTY ON SUBSTITUTING OTHER PROPERTY**

The Company shall be at liberty at any time during the continuance of this security, with the prior permission in writing of the Trustees and Bondholder(s)/Beneficial Owner(s), to withdraw any of the Specifically Mortgaged Premises from such of the trusts powers and provisions hereof as exclusively relate to the Specifically Mortgaged Premises upon substituting other property of a value sufficient to provide the security cover as provided in these presents. But before the Trustees permit the Company to withdraw any property under this clause, the Company must prove to the satisfaction of the Trustees that the

property proposed to be substituted for the same is of a value sufficient to provide the security cover as provided in these presents and that such property is suitable for the purpose of business of the Company and upon such proof being given, must convey or assign or cause to be conveyed or assigned such property to the Trustees in such manner as they shall direct UPON THE TRUSTS hereof relating to the Mortgaged premises and thereupon the Trustees shall be at liberty to re-convey to the Company or as the Company may direct the property to be withdrawn TO HOLD the same free from such of the trusts, powers and provisions hereof as exclusively related to the Specifically Mortgaged Premises and a declaration in writing signed by the Trustees that the proof aforesaid has been furnished to their satisfaction shall be conclusive evidence in favour of the Trustees and the following provisions shall have the effect, that is to say:-

- (a) The Trustees may accept a certificate signed by any one of the directors of the Company to the effect that any such property purported to be substituted is in his opinion suitable for the purpose of business of the Company as sufficient evidence of the fact;
- (b) The Trustees shall be at liberty to accept the fact that the Company has been given a specified price for any such property proposed to be substituted, sufficient evidence that the same is worth such price but they may in their discretion require a written report of a valuer appointed/ approved by them;
- (c) The Trustees shall not be responsible for any error in any such certificate or valuation or for any loss that may be occasioned by acting thereon and shall be at liberty to accept such title to such hereditaments as the Company shall acquire provided that the Trustees shall be advised that the title so acquired is one which is a reasonably good title or title not likely to be determined;

**38. BREACH OF COVENANT BY THE COMPANY MAY BE WAIVED**

The Trustees may, with the consent of all the Bondholder(s)/ Beneficial Owner(s), at any time waive on such terms and conditions as to them shall seem expedient any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Trustees or the Bondholder(s)/ Beneficial Owner(s) in respect of any subsequent breach thereof.

**39. POWER OF TRUSTEES TO DELEGATE**

The Trustees hereof being a Public Limited Company may, in the execution and exercise or all or any of the trusts, powers, authorities and discretion vested in them by these presents act by an officer or officers for the time being of the Trustees and the Trustees may also whenever they think it expedient, delegate by Power of Attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretion vested in them by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Trustees may think fit and the Trustees shall not be bound to supervise the proceedings or be in anyway responsible for any loss incurred by reason of any misconduct or default or any mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of any such delegate or sub-delegate.

**40. POWER OF TRUSTEES TO EMPLOY AGENTS**

The Trustees may, in carrying out the trust business, employ and pay any person to transact or concur in transacting any business and do or concur in doing all acts required to be done by the Trustees including the receipt and payment of moneys and shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by them in connection with the trust hereof and also their reasonable charges in addition to the expenses incurred by them in connection with matters arising out of or in connection with these presents including matters which might or should have been attended to in person by the Trustees.

**41. COVENANT FOR RECONVEYANCE**

Upon proof being given to the reasonable satisfaction of the Trustees that all the Bonds entitled to the benefit of the trusts hereof together with Redemption Premium, if any, interest and all other monies payable thereunder have been paid off or satisfied in accordance with the tenor thereof and upon payment of all principal, together with Redemption Premium, if any, interest, liquidated damages, premium, costs, charges and expenses and other amounts under this Deed or the Bonds or the Subscription Agreement and also the payment of all costs, charges and expenses incurred by the Trustees or by any Receiver in relation to these presents (including the remuneration of the Trustees and of any Receiver and all interest thereon) and upon observance and performance of the

terms and conditions and covenants herein contained the Trustees shall at the request and cost of the Company, release, re-assign or reconvey to the Company or as the Company may direct or to such other person entitled thereto the specifically Mortgaged Premises or such part thereof as may remain subject to the security hereby created freed and discharged from the trusts and security hereby created.

#### **42. RETIREMENT AND REMOVAL OF TRUSTEES**

- a) The Trustees hereof may retire at any time without assigning any reason and without being responsible for any loss or costs occasioned by such retirement provided that they shall have given at least one month's previous notice in writing to the Company in that behalf.
- b) The Company may appoint one or more persons, registered as Trustee(s) with Securities and Exchange Board of India (SEBI) as Trustee or Trustees hereof, with or without removing or replacing the existing Trustee or Trustees, without any approval from Bondholder(s)/ Beneficial Owner(s).
- c) The Trustees hereof may be removed by the Debenture-holder(s)/Beneficial Owner(s) by a Special Resolution duly passed at the meeting of the Bondholder(s)/ Beneficial Owner(s) convened in accordance with the provisions set out in the Fourth Schedule hereunder written. The Company shall appoint such person or persons as may be nominated by such resolution as new Trustee or Trustees hereof.
- d) For the purposes aforesaid, forthwith upon receipt of the notice of retirement from the Trustee(s) for the time being hereof, and on the occurrence of the vacancy in the office of the Trustee or Trustees hereof, the Company shall convene a meeting of the Bondholder(s)/Beneficial Owner(s) for appointment of Trustees by the Debenture-holder(s)/Beneficial Owner(s) unless Company does not appoint a Trustee as provided hereinabove. Any body corporate or entity which is registered as a Trustee with the Securities and Exchange Board of India, may be appointed as Trustee. Whenever there shall be more than two Trustees hereof the majority of such Trustees shall be entitled to exercise the powers, authorities and discretions hereby vested in the Trustees.

- e) Any new Trustee or Trustees appointed in terms of this clause, will have all powers and shall be subject to all duties, liabilities and responsibilities as if originally, appointed in terms of these presents.

**43. TRUSTEES REMUNERATION**

- (A) The Company shall pay to the Trustees remuneration as specified in the offer letter ref ATSL/CO/11-12/3112/93 dated October 12, 2011 (in respect of Bonds aggregating Rs.40 crore represented by the XI<sup>th</sup> Issue, carrying Fixed Coupon Rate Interest of 10.20% per annum) and offer letter ref ATSL/CO/12-13/1382/62 dated June 28, 2012 (in respect of Bonds aggregating Rs. 120 crore represented by the XII<sup>th</sup> Issue, carrying Fixed Coupon Rate Interest of 9.25% per annum) issued by the Trustees and accepted by the company.
- (B) The Company shall reimburse the Trustees all legal, travelling, conveyance and other costs, charges and expenses incurred by them, their officers, employees or their agents in connection with execution of these presents including costs, charges, expenses of and incidental to the approval and execution of these presents and all other documents affecting the security herein and the Company hereby agrees to indemnify the Trustees against all actions, proceedings, costs, charges, expenses, claims and demands whatsoever which may be brought or made against or incurred by them in respect of any matter or thing done or omitted to be done without their wilful default in respect of or in relation to the Mortgaged Premises and these presents.

**44. MODIFICATIONS TO THESE PRESENTS**

The Trustees shall concur with the Company in making any modifications in these presents which in the opinion of the Trustees shall be expedient to make provided that the Trustees shall give effect to the same by executing necessary Supplementary Trust Deed to these presents.

**45. APPOINTMENT OF TRUSTEES AS ATTORNEYS OF THE COMPANY**

The Company hereby irrevocably appoints the Trustees to be the Attorneys of the Company in the name and on behalf of the Company to execute, sign and do any deeds, documents, assurances, acts and things which shall in the opinion of the Trustees be necessary or expedient that the Company should execute, sign and do for the purpose of

carrying out any of the trusts of obligations declared or imposed upon the Company by these presents or of giving to the Bondholder(s)/ Beneficial Owner(s) or to the Trustees on their behalf the full benefit of any of the provisions of these presents and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred upon the Trustees or any Receiver appointed by them.

#### **46. NOTICES**

- (a) Any notice required to be served on the Trustees may be served on the Trustees by sending through Registered post a prepaid letter addressed to the Trustees, in case of present Trustees at its Registered and Corporate Office at 2<sup>nd</sup> Floor, Axis House, Bombay Dyeing Compound, Padurang Bhudkar Marg, Worli, Mumbai – 400 025, addressed to the Vice President (Capital Markets) and in respect of the successors in office of the Trustees similarly at such address as may be notified by such new Trustees in this behalf.
- (b) Any notice required to be served on the Company may be duly served by sending through post in a prepaid letter at its Registered Office.
- (c) Any notice may be served by the Company or the Trustees upon the holder(s)/owner(s) of any Bonds issued under these presents by sending through post in prepaid letter addressed to such Bondholder(s)/Beneficial Owner(s) at their Registered Address and any notice so sent by post, shall be deemed to have been duly served on the third day following the day on which it is posted and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into post box.
- (d) Where a document is sent by post, service thereof shall be deemed to be effected by properly addressing and prepaying and posting a letter containing the document provided that if intimation has been given in advance that the documents should be sent under a Certificate of posting or by Registered Post with or without Acknowledgement Due and a sum sufficient to defray the expenses has been deposited, service of the document shall not be deemed to be effected

unless it is sent in the manner so intimated by the Bondholder(s)/ Beneficial Owner(s).

**47. INFORMATION MEMORANDUM / DISCLOSURE DOCUMENT / TERM SHEET/ SANCTION LETTERS DEAL CONFIRMATION LETTER(S) / BOND SUBSCRIPTION AGREEMENT TO PREVAIL**

In the event of any repugnancy or inconsistency between these presents, Information Memorandum/Disclosure Document/Term Sheet/ Sanction Letter(s)/Deal Confirmation Letter(s)/Bond Subscription Agreement or any other Agreement or security document or Undertaking that the Company may enter into with or execute in favour of the Trustees, the said Information Memorandum/Disclosure Document/Term Sheet/ Sanction Letter(s)/Deal Confirmation Letter(s)/Bond Subscription Agreement will prevail for all purposes and to all intents.

IT IS HEREBY EXPRESSLY AGREED BY AND BETWEEN THE PARTIES that the obligations of the Company shall be governed by the provisions contained in the Information Memorandum / Disclosure Document / Term Sheet / Sanction Letter(s) / Deal Confirmation Letter(s) / Bond Subscription Agreement and these presents, and in the event of there being any inconsistency or repugnancy between the provisions contained in the Information Memorandum / Disclosure Document / Term Sheet / Sanction Letter(s) / Deal Confirmation Letter(s) / Bond Subscription Agreement and these presents, the provisions contained in the Information Memorandum / Disclosure Document / Term Sheet / Sanction Letter(s) / Deal Confirmation Letter(s) / Bond Subscription Agreement shall prevail for all purposes and to all intents.



**THE FIRST SCHEDULE ABOVE REFERRED TO**

**PART – “A”**

**(Description of the Immovable Properties at Village Inrana,  
Taluka Kadi, District Mehsana in the State of Gujarat)**

All that piece or parcel of non-agricultural freehold land admeasuring 2385.77 Sq. Yds. equivalent to 1994.81 Sq. Mtrs. forming part of the said land made up of private plot land known as Private Plot No.08 admeasuring 2116.24 Sq. Yds. equivalent to 1769.45 Sq. Mtrs. forming part of amalgamated Survey No.35 of Mouje Irana of Kadi Taluka in the Registration District Mehsana and Sub-District of Kadi to hold it freely, absolutely and independently, and also together with 1/44th (One- Fortyfourth) undivided impartible joint ownership right, share and interest and use in the internal approach road land abutting on Nal Road on the Northern border of the said land which undivided impartible right, share and interest comes to 269.53 Sq. Yds. equivalent to 225.36 Sq. Mtrs. together with permanent easement of right of way and other rights on the internal approach road land connecting Kadi Kalol Road through Nal Road on the Northern Border and Village Irana Road, and further together with the rights in common with the other holder of other Plots in or upon or under the said internal approach road land in amalgamated Survey No.35 with equal responsibility for the preservation and maintenance of the said internal approach road land and the said Private Plot No.08 is bounded as follows, i.e. to say :-

On or towards the East by : Private Plot No.7 in Survey No.35

On or towards the West by : Private Plot No.9 in Survey No.35.

On or towards the North by : Internal approach Road in Survey No.35

On or towards the South by : Private Plot No.15 in Survey No.35.

together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

AS ALSO

**PART – “B”**

All the Gas Turbines at the Assam Gas Based Power Project at Bokuloni, Kathalguri, District Dibrugarh in the State of Assam.

**PART – “C”**

All the Plant and Machinery in the Generating Station of the Ranganadi Hydro Electric Project at Yazali, Lower Subansiri District in the State of Arunachal Pradesh

**THE SECOND SCHEDULE ABOVE REFERRED TO**

**FINANCIAL COVENANTS AND CONDITIONS**

**(i) Bonds to rank “*pari passu*”**

The Bonds issued under these presents shall rank *pari passu inter se* without any preference or priority of one over the other or others of them.

**(ii) Interest:**

(a) The Bonds shall carry Interest Fixed Coupon Interest Rate and will be payable semi-annually as under:-

Sr. No.	Material Terms and Conditions	XI <sup>th</sup> Issue Stipulated as under :-	XII <sup>th</sup> Issue Stipulated as under :-
(1)	(2)	(3)	(4)
1	No. of NCBs	400 (001 to 400)	1200 (001 to 1200)
2	Face value per NCBs	Rs.10 Lacs each	Rs.10 Lacs each
3	Aggregate nominal value of NCBs	Rs.40.00 Crores	Rs.120.00 Crores
4	Depository	(i) National Securities Depository Limited (NSDL) & (ii) Central Depository Services (India) Limited (CDSL)	(i) National Securities Depository Limited (NSDL) & (ii) Central Depository Services (India) Limited (CDSL)
5	Rate of Interest	10.20% per annum	9.25% per annum.
6	Mode of Interest Payment and Date of Commencement	Payable Semi-Annually commencing from 15 <sup>th</sup> December, 2011 being the Deemed Date of Allotment till maturity of Bonds or earliest upon exercising Put/Call Option, as the case may be.	Payable Semi-Annually commencing from 27 <sup>th</sup> June, 2012 being the Deemed Date of Allotment till maturity of Bonds.

7	(a) Semi-Annual Interest Payment Date(s) in each year	(i) 15 <sup>th</sup> January and (ii) 15 <sup>th</sup> July	(i) 15 <sup>th</sup> May and (ii) 15 <sup>th</sup> November
	(b) First Interest payment date	15 <sup>th</sup> January, 2012	15 <sup>th</sup> November, 2012
	(c) Last Interest payment date	15 <sup>th</sup> December, 2021	27 <sup>th</sup> June, 2022
8	Tenure of NCBs	10 Years (from 15 <sup>th</sup> December, 2011 to 15 <sup>th</sup> December, 2021)	10 Years (from 27 <sup>th</sup> June, 2012 to 27 <sup>th</sup> June, 2022) with staggered redemption at the end of the 6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> and 10 <sup>th</sup> years
9	Put/Call Option	Available at the end of 7 <sup>th</sup> year i.e. on 15 <sup>th</sup> December, 2018	No Put/Call Option is available
10	Redemption of the Bonds	At par at the end of 10 <sup>th</sup> year i.e. on 15 <sup>th</sup> December, 2021 from the Deemed Date of Allotment, viz., 15 <sup>th</sup> December, 2011	Staggered redemption of at 20% of the Face Value each at the end of the 6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> and 10 <sup>th</sup> years i.e. on 27 <sup>th</sup> June 2018, 27 <sup>th</sup> June 2019, 27 <sup>th</sup> June 2020, 27 <sup>th</sup> June 2021 and 27 <sup>th</sup> June 2022

The interest payment shall be made by Cheque / Demand Draft / credit through ECS/RTGS system in the name of the Bondholder(s) / Beneficial Owner(s).

- (b) PROVIDED ALWAYS AND IT IS HEREBY AGREED AND DECLARED that all interest which shall accrue on the Bonds outstanding or any part thereof and for the time being remaining unpaid and all other monies which have become payable under these presents shall in case the same be not paid on the dates on which they accrued due, carry compound interest at monthly rests, at the aforesaid rate will become due and payable over the monies due for the period of default.
- (c) PROVIDED HOWEVER, in the event of any default in the payment of interest and/or in the redemption of the Bonds and all other monies payable pursuant to this Agreement read with the Term Sheets dated 12<sup>th</sup> December, 2011 and 25<sup>th</sup> June, 2012 with applicable modifications thereto, the Company shall pay to the holder/s of the Bonds, further interest at the rate of 2% per annum over the

document rate for the default in payment of interest, additional interest and/or principal amount till the dues are cleared.

- (d) Notwithstanding anything to the contrary in any other provision of the Agreement, the penal interest as stated above shall not be considered for the calculation of Overall Return to the Bond Holders.

**(iii) Computation of Interest and Other Charges**

In all cases in which it shall be necessary to compute the amount of interest or any other charges which shall have accrued under this Agreement the interest will be computed on an actual/actual day count basis. The interest for the last broken period shall be payable at the time of redemption of said Bonds.

**(iv) Redemption:**

The Company agrees and undertakes to redeem the Bonds on stated maturity as under:-

Sr. No.	Material Terms and Conditions	XI <sup>th</sup> Issue Stipulated as under :-	XII <sup>th</sup> Issue Stipulated as under :-
(1)	(2)	(3)	(4)
1	No. of NCBs	400 (001 to 400)	1200 (001 to 1200)
2	Face value per NCBs	Rs.10 Lacs each	Rs.10 Lacs each
3	Aggregate nominal value of NCBs	Rs.40.00 Crores	Rs.120.00 Crores
4	Depository	(iii) National Securities Depository Limited (NSDL) & (iv) Central Depository Services (India) Limited (CDSL)	(i) National Securities Depository Limited (NSDL) & (ii) Central Depository Services (India) Limited (CDSL)
5	Tenure of NCBs	10 Years (from 15 <sup>th</sup> December, 2011 to 15 <sup>th</sup> December, 2021)	10 Years (from 27 <sup>th</sup> June, 2012 to 27 <sup>th</sup> June, 2012) with staggered redemption at the end of the 6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> and 10 <sup>th</sup> years

6	Put/Call Option	Available at the end of 7 <sup>th</sup> year i.e. on 15 <sup>th</sup> December, 2018	No Put/Call Option is available
7	Redemption of the Bonds	At par at the end of 10 <sup>th</sup> year i.e. on 15 <sup>th</sup> December, 2021 from the Deemed Date of Allotment, viz., 15 <sup>th</sup> December, 2011	Staggered redemption of at 20% of the Face Value each at the end of the 6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> and 10 <sup>th</sup> years i.e. on 27 <sup>th</sup> June 2018, 27 <sup>th</sup> June 2019, 27 <sup>th</sup> June 2020, 27 <sup>th</sup> June 2021 and 27 <sup>th</sup> June 2022

**(v) Premature Redemption:**

In case the Company fails for any reasons to utilize the proceeds for the purpose, the Beneficial Owner(s) / Bondholder(s) will be entitled to rescind / avoid the contract on that ground and to call back the money, if any paid towards subscription of the Bonds.

Notwithstanding the above, the Beneficial Owner(s) / Bondholder(s) shall have the right to recall/redeem the Bonds in case the Company defaults / is irregular in the payment of interest and / or installment of principal / downgrading of rating, and / or non-creation of security in terms of this Agreement to the satisfaction of the Beneficial Owner(s) / Bondholder(s) and non-compliance with the terms and conditions of this Agreement.

**(vi) Prepayment:**

- (a) The Company shall not have the right to redeem the outstanding Debentures in full or in part by way of conversion (with or without prepayment premium) except the right for redemption given at Clause (iv) above.
- (b) Otherwise the Company shall have the right to redeem the outstanding Bond in full or in part at any time with the prior written consent of the Beneficial Owner(s)/ Bondholder(s) as specified hereto. In case the Beneficial Owner(s)/ Bondholder(s) agrees for prepayment of the Bonds at a premature repayment which shall, however, be entirely at the sole discretion of the Beneficial Owner(s)/ Bondholder(s), the acceptance shall be subject to such terms and conditions including payment of premium, if any, as may be stipulated by the Beneficial Owner(s)/Bondholder(s) in this behalf.

**(vii) Bond Certificate**

(a) For Bonds subscribed in physical form, in the event

The Company shall issue Bond Certificate/s to the Debenture-holder(s) in accordance with the provisions of Section 113 (1) of The Companies Act, 1956 read with the Companies (Issue of Share Certificate) Rules 1960. The Certificates will be issued within 3 months from the deemed date of allotment or such extended time, as may be permitted by the Company Law Board.

(b) For Bonds issued in dematerialised form

The Bonds to be issued in dematerialised form shall be subject to the provisions of the Depositories Act, 1996 and rules notified by National Securities Depositories Ltd. (NSDL) and/or Central Depository Services Ltd. (CDSL), as the case may be, from time to time.

**(viii) Appropriation of Payment:**

- (a) All monies payable by the Company to the Bondholder(s)/ Beneficial Owner(s) will be made to the Bondholder(s) / Beneficial Owner(s) at such office as may be specified by it or at any of its branch office/regional office by cheque or warrant drawn by the Company on its bankers or credit through ECS/RTGS.
- (b) Unless otherwise agreed to by the Bondholder(s)/ Beneficial Owner(s), any payments by the Company under these presents read with the relevant Term Sheet / Sanction Letter(s) and the Bond Subscription Agreement / Information Memorandum / Disclosure Document / with applicable modifications thereto, if any, Trustee Agreement and / or any other documents executed for the subscription to the Bonds and creation of security thereof shall be appropriated in the following manner, namely:
- (i) First, towards commitment and other fees;
  - (ii) Secondly, towards costs, charges and expenses and other monies and also the remuneration payable by the Company to the Bond Trustees;

- (iii) Thirdly, towards further interest in case of default and compound interest;
- (iv) Fourthly, towards interest and
- (v) Fifthly, towards Redemption Premium, if any.
- (vi) Lastly, towards redemption of principal amount of the Bonds due and payable by the Company to the Bondholder(s)/Beneficial Owner(s).

**(ix) Security:**

- 1) One of the terms of the issue of the Bonds, is that the redemption of the principal amount of the Bonds, together with Redemption Premium, if any, payment of interest, remuneration of the Trustees, liquidated damages and all costs, charges, expenses and other monies payable by the Company in respect of the Bonds will be secured by first pari passu charge on the Company's the Said Properties, comprising of (a) the Gujarat Immovable Property, (b) the Gas Turbine Properties and (c) the Plant Machinery Properties .
- 2) The Company shall ensure to furnish to the Bondholder(s) / Beneficial Owner(s), as and when requested, copies of Documents in support of creation of complete security as stipulated and procure and furnish suitable letter from the Bond Trustees to the effect that complete security as stipulated has been created.
- 3) If the Bond Trustees and the Bondholder(s)/Beneficial Owner(s) are of the opinion that at any time during the subsistence of this Agreement the security provided by the Company has become inadequate to cover the Bonds then outstanding, the Company shall provide and furnish to the Bond Trustees to their satisfaction such additional security as may be acceptable to the Bond Trustees to cover such deficiency.

**(x) Clearances:**

In case any of the Company's said Gujarat Immovable Property is already charged in favour of the Financial Institutions/other lenders to secure its borrowings, the company shall furnish a suitable 'No objection letter' from such Financial Institutions/lenders



agreeing to cede first pari passu charge or subservient charge, as the case may be, to secure the said Bonds within six months from the date of first draw down.

**(xi) Change in Security:**

Any change in the manner of creation of security of details of documentation for the said Bonds shall be only with the prior written approval of the Beneficial Owner(s)/Trustee.

**(xii) Further borrowings**

The Company shall without the approval of the Trustees be entitled to make further issue(s) of Bonds, raise further loans and advances and/or avail further deferred payment guarantees or other financial facilities from time to time from such persons/banks/financial institutions or body corporate/ any other agency. However, until the Bonds are fully redeemed the Company shall not create any mortgage or charge on any of the aforesaid Specifically Mortgaged Premises without the prior written approval from the Bondholder(s)/ Beneficial Owner(s).

**(xiii) Execution of Documents**

- (a) The Company shall execute all relevant documents and create security for the said Bonds, as stated above, within a period of 3 months from the Date of Allotment. The Company shall obtain the consent of the prior charge holders prior to the creation of security. The Company further undertakes to execute all the documents as may be required by Bondholder(s) / Beneficial Owner(s).
- (b) The Drafts of all the documents necessary for security creation in accordance with prescribed provisions shall be submitted for approval before being finalised, and any suggestions/modifications indicated by the Bondholder(s)/Beneficial Owner(s) and Bond Trustee shall be incorporated therein.
- (c) The Company hereby irrevocably and unconditionally agrees that the Company, its Directors, Successors and Assignee shall keep indemnified the Bondholder(s)/Beneficial Owner(s) for any loss that may be suffered by the Bondholder(s)/ Beneficial Owner(s) on account the subscription to their Bond issue, in the event that security creation and listing of Bonds is pending for more than 3 months from the date of allotment.

**(xiv) Transfer of Bonds**

The Bonds shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of listed Bonds.

The provisions relating to transfer and transmission in respect of the shares as provided in the Articles of Association of the Company shall apply, *mutatis mutandis*, to the Bonds.

**(xv) Bonds free from equity**

The Bondholder(s)/the Beneficial Owner(s) will be entitled to their Bonds free from equities or cross claims by the Company against the original or any intermediate holder(s)/owner(s) thereof.

**(xvi) Bondholder(s)/Beneficial Owner(s) not entitled to shareholder(s)/owner(s) rights**

The Bondholder(s)/ Beneficial Owner(s) will not be entitled to any of the rights and privileges available to the shareholder(s)/owner(s) including right to receive notices or annual reports or to attend and vote at general meetings of the members of the Company.

**(xvii) Variation of the Bondholder(s)/the Beneficial Owner(s) rights**

The rights, privileges and conditions attached to the Bonds may be varied, modified or abrogated with the consent in writing of the holder(s)/owner(s) of the Bonds provided that nothing in such consent shall be operative against the Company, where such consent modifies or revises the terms and conditions governing the Bonds, if the same are not acceptable to the Company.

**(xviii) Replacement of Bond Certificates issued in physical form**

If the Bond Certificate issued in physical form, hereunder is mutilated or defaced or worn out then upon production thereof to the Company, the Company shall cancel the same and issue a new certificate in lieu thereof. If any Bond Certificate is lost, stolen or destroyed then, upon proof to the satisfaction of the Company and upon furnishing such indemnity as the Company may deem adequate and upon payment of any expenses incurred by the

Company in connection with proof of such indemnity the Company shall issue a new certificate. A fee will be charged by the Company not exceeding such sum as may be prescribed by law on each fresh Bond Certificate issued hereunder except certificates in replacement of those which are old, decrepit or worn out or defaced or where the cages for recording transfers have been fully utilised.

**(xix) Enforcement of security**

At any time after the Bonds or any of them have become repayable and have not been repaid, the Trustees may at their discretion and without further notice institute such proceedings against the Company as they may think fit to enforce repayment thereof together with accrued interest and all other monies payable in respect thereof but they shall not be bound to take any such proceedings unless -

- (a) The Trustees are so requested in writing by the holder(s)/ owner(s) of the Bonds;
- (b) Sufficient monies are advanced by the Bondholder(s)/ Beneficial Owner(s) to the Trustees for enforcement of their rights and security; and
- (c) The Trustees are indemnified to their satisfaction by the Bondholder(s)/Beneficial Owner(s).

**(xx) Listing of documents**

If required the Company shall get the Bonds listed on Wholesale Debt Market (WDM) Segment of the Bombay Stock Exchange Limited (BSE) within 30 days from the Closing Date and comply with all the RBI and SEBI guidelines applicable to this Bond issue. The Company shall ensure that all the consents and resolutions required to issue the Bonds are in place prior to the issue. The Company should also ensure that any and all regulations pertaining to this are complied with.

**(xxi) Financial Ratios :**

The Company shall ensure that during the currency of the Bonds, there will be no adverse deviation in the financial ratios according to the audited statement of accounts of the Company from the levels stipulated below:-

Fixed Assets Coverage Ratio: As mutually agreed upon.

**(xxii) Rating**

The Company confirms that rating of NCDs is “[ICRA]AA-“ by ICRA Ltd. (pronounced as ICRA Double A minus). Instruments with this ranking carry very low credit risk.

**(xxiii) Appointment of Nominee Director**

On the happening of any of the events of default, in addition to the rights specified elsewhere in this Deed the Trustees shall have the following further rights; the Trustees may appoint and remove from time to time directors on the Board of Directors of the Company during the currency of these presents (such Director(s) are hereinafter referred to as the “Nominee Director(s)”). Provided that such appointment has been approved by the president of India as per the relevant Clause of the Articles of Association of the Company. The Company shall procure an undertaking from such persons as may be specified by the Trustees to the effect that they shall support where necessary the appointment of nominee director(s) at meetings of the Board and of the shareholders. Such nominee director(s) shall exercise such powers and duties as may be approved by the Trustees and have such rights as are usually exercised by or available to a director of the Company. Such nominee director(s) shall not be required to hold qualification shares, nor be liable to retire by rotation and shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Bondholder(s)/the Beneficial Owner(s). Such Nominee Director(s) shall have the right to receive notices of and attend all general meetings and Board Meetings or any Committee(s) of the Company of which they are members. The Company shall take steps to amend its Articles of Association, if necessary.

Any expenses that may be incurred by the Trustees or such nominee director(s) in connection with their appointment or directorship shall be paid or reimbursed by the Company to the Trustees or as the case may be, to such nominee director(s).

**THE THIRD SCHEDULE ABOVE REFERRED TO**

These Bonds are exempt from  
Payment of stamp duty under  
Proviso to Article 27 of  
Schedule I of the Indian  
Stamp Act, 1899

**NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED**  
(Incorporated under The Companies Act, 1956)

Registered Office: Brookland Compound,  
Lower New Colony,  
Shillong - 793 003,  
Meghalaya

**PART – “A”**

Form of Bond Certificate for issuance of Bonds in  
**Physical Form**

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*This certificate is exempt from payment of stamp duty under proviso to Article 27 of Schedule I of Indian Stamp Act, 1899.*

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Issue of 1600 - Secured Redeemable Non-Convertible Taxable Bonds (NCBs) in the nature of Bond of the face value of Rs.10,00,000/- (Rupees Ten Lacs) each aggregating to Rs.160.00 Crores only comprising of (i) Rs.40.00 Crores represented by the XI<sup>th</sup> Issue carrying Coupon Rate of Interest of 10.20% per annum and (ii) Rs.120.00 Crores represented by the XII<sup>th</sup> Issue carrying Coupon Rate of Interest of 9.25% per annum all ranking *pari passu inter se* made under the authority of the Memorandum and Articles of Association of the Company and Resolutions passed by the Board of Directors of the Company at their meeting held on (a) 29<sup>th</sup> November, 2011 for issuance of the XI<sup>th</sup> Series Bonds and on (b) 22<sup>nd</sup> June, 2012 for issuance of the XII<sup>th</sup> Series Bonds and approval obtained in terms of the Resolutions under Section 293(1)(a) of the Companies Act, 1956 passed by the Members of the Company, at their Annual General Meeting held on .

This Bond is issued in terms of the Bond Trust Deed dated the                      day of September, 2012 (hereinafter referred to as "the Trust Deed") entered into between the Company and Axis Trustee

Services Limited (hereinafter referred to as "the Trustees"), which expression includes its successors and assigns under the Trust Deed and subject to the terms, conditions, stipulations and financial covenants as contained in the Trust Deed. The Trustees will act as Trustees for the holder(s)/owner(s) for the time being of the Bonds (hereinafter referred to as "the Bondholder(s)/the Beneficial Owner(s)") in accordance with the provisions of the Trust Deed. The Bondholder(s)/Beneficial Owner(s) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed.

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:	Secured Non-Convertible Redeemable	:
:	Bonds each of Rs.10,00,000/- (Ten Lacs) each	:
:		:
:	Amount paid up per Bond Rs.10,00,000/- (Ten Lacs)	:

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This is to certify that the person(s) named below or the last Transferee(s) whose name(s) is/are duly recorded in the Memorandum of Transfers on the reverse hereof is/are the holder(s) of the within mentioned Debenture(s) subject to the Memorandum and Articles of Association of the Company.

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Reg. Folio No.	:	Certificate No.	:
Name(s) of the Holder(s)	:		
No. of Debenture(s)	:		
Distinctive No.(s)	:		

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The Bond is issued subject to and with the benefit of the Financial Covenants and Conditions endorsed hereon and the additional terms and conditions of the Bonds which are also endorsed hereon and which shall be binding on the Company, the Trustees, the Bondholder and all persons claiming by, through or under any of them. The Company hereby agrees and undertakes to duly and punctually pay, observe and perform, the Financial Covenants and Conditions endorsed hereon.

Given at \_\_\_\_\_ under the Common Seal of the Company this \_\_\_\_\_ day of \_\_\_\_\_ ,  
Two Thousand Thirteen.

Director

Secretary

Authorised Signatory

**PART – “B”**

**(Procedure to be followed when Bonds are issued  
in Electronic (Dematerialised) / Demat Form)**

BONDS ARE EXEMPT FROM PAYMENT OF STAMP DUTY UNDER PROVISIO TO ARTICLE 27 OF  
SCHEDULE – I TO THE INDIAN STAMP ACT, 1899.

1. The Company has made Depository Arrangements with National Securities Depository Limited (NSDL) and/or Central Depository Services Limited (CDSL) as the case may be for dematerialization of the Bonds. The investor has to necessarily hold the Bonds in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time). The normal procedures followed for transfer of securities held in dematerialised form shall be followed for transfer of these Bonds held in electronic form.
2. “Depository” means the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).
3. Bond certificates will not be issued to the allottees, since Bonds are in dematerialised form.
4. As per SEBI guidelines these Bonds can be issued only in the dematerialised mode and therefore every eligible applicant should apply only if they have a depository account with any of the depositories. Transfer of Bonds in dematerialised form would be in accordance with the rules/procedures as prescribed by NSDL/CDSL. Transfer of these Bonds is permitted only between categories eligible for subscription as mentioned in the respective Information Memorandum.
5. The Depository Account of the investors with NSDL/CDSL will be credited within 2 days from the Deemed date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On the completion of all statutory formalities, such credit will be substituted with the number of Bonds allotted.
6. The Bonds held in the dematerialised form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Beneficial Owner(s) whose name appears in the List Beneficial Owner(s) on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Beneficial Owner(s). On such payments being made, the Company will inform NSDL/CDSL and accordingly the account of the Bond holders with NSDL/CDSL will be adjusted.



7. A List of Beneficial Owner(s) containing all relevant particulars shall be maintained by the NSDL/CDSL and will be kept at its Registered Office of the Company or at the office of the Registrar and Transfer Agent, as the case may be.
8. Transfer of Bonds in dematerialised form would be in accordance with the rules/procedures as prescribed by NSDL/CDSL Depository participant. Transfer of these Bonds is permitted only between categories eligible for subscription as mentioned in the respective Information Memorandum. All requests for transfer should be submitted to the Company/Registrar prior to the Record Date for payment of interest/principal.

Nothing provided herein shall prejudice any power of the Company to register as Beneficial Owner(s)/Bondholder(s) any person to whom the right to any Bond of the Company has been transmitted by operation of law.

9. The Company shall rematerialise Bonds in accordance with the rules and procedures prescribed by Depositors Act, 1996. All costs arising from the request of materialisation shall be borne by the requestor.

Company No.

**CERTIFICATE OF REGISTRATION OF MORTGAGE ETC.**

Under Section 132 of the Companies Act, 1956

**Re: Mortgage/Charge dated \_\_\_\_\_, 2012 created by NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED (NEEPCO) in favour of AXIS TRUSTEE SERVICES LIMITED (Trustees)**

Pursuant to the provisions contained in Section 132 of the above named Act, I hereby certify that the above Mortgage/Charge of Rs.160.00 Crores has been registered in this office in accordance with the provisions contained in that behalf in Sections 125 to 130 of the said Act.

Given under my hand at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, Two Thousand Thirteen.

Registrar of Companies

**THE FOURTH SCHEDULE ABOVE REFERRED TO**

**PROVISIONS FOR THE MEETINGS OF THE  
BONDHOLDER(S) / BENEFICIAL OWNER(S)**

The following provisions shall apply to the meetings of the Bondholder(s)/the Beneficial Owner(s):-

1. The Trustees or the Company may, at any time, and the Trustees shall at the request in writing of the holder(s) of Bonds representing not less than one-tenth in value of the nominal amount of the Bonds for the time being outstanding, convene a meeting of the holder(s)/owner(s) of the Bonds. Any such meeting shall be held at such place in the city where the Registered Office of the Company is situated or at such other place as the Trustees shall determine.
  
2. (i) A meeting of the Bondholder(s)/the Beneficial Owner(s) may be called by giving not less than twenty one days' notice in writing.  
  
(ii) A meeting may be called after giving shorter notice than that specified in sub-clause (i), if consent is accorded thereto by holder(s)/owner(s) of Bonds representing not less than 95% of the Bonds for the time being outstanding.
  
3. (i) Every notice of a meeting shall specify the place, day and hour of the meeting and shall contain a statement of the business to be transacted thereat.  
  
(ii) Notice of every meeting shall be given to:-
  - a. the Bondholder(s)/the Beneficial Owner(s) in the manner provided in the Trust Deed;
  
  - b. the persons entitled to a Bond in consequence of death or insolvency of a Bondholder(s)/the Beneficial Owner(s), by sending it through post in a prepaid letter addressed to them by name or by the title of the representatives of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which might have been given if the death or insolvency had not occurred; and

- c. the Auditor or Auditors for the time being of the Company in the manner authorised by Section 53 of the Act in the case of any members of the Company:

*Provided* that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act, need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the Bondholder(s)/the Beneficial Owner(s).

4. The accidental omission to give notice to or the non-receipt of notice by any Bondholder /the Beneficial Owner(s) or other person to whom it should be given shall not invalidate the proceedings at the meeting.
5. (i) There shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director, the Manager, if any, of the Company:  
  

*Provided* that where any item of business as aforesaid to be transacted at a meeting of the Bondholder(s)/the Beneficial Owner(s) relates to, or affects, any other company the extent of shareholding interest in that company of every Director, and the Manager, if any, of the first mentioned company shall also be set out in the statement if the extent of such shareholding interest is not less than two per cent. of the paid-up share capital of that other company.
- (ii) Where any item of business consists of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
6. (i) Two Bondholder(s)/Beneficial Owner(s), personally present shall be the quorum for the meeting of the Bondholder(s)/Beneficial Owner(s) and provisions of following sub-clause shall apply with respect thereto. If there is a single Bondholder(s)/the Beneficial Owner(s) it shall constitute a valid quorum. If, within half an hour from the time appointed for holding a meeting of the Bondholder(s)/the Beneficial

Owner(s), a quorum is not present, the meeting, if called upon the requisition of the Bondholder(s)/ the Beneficial Owner(s) shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Trustees may determine and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the holding of the meeting, the Bondholder(s)/Beneficial Owner(s) present shall be a quorum.

7. (i) The nominee of the Trustees shall be the Chairman of the meeting and in his absence the Bondholder(s)/ the Beneficial Owner(s) personally present at the meeting shall elect one of themselves to be the Chairman thereof on a show of hands.  
  
(ii) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act, the Chairman elected on a show of hands exercising all the powers of the Chairman under the said provisions.  
  
(iii) If some other person is elected Chairman as a result of the poll, he shall be Chairman for the rest of the meeting.
8. The Trustees and the Directors of the Company and their respective Solicitors/Advocates may attend any meeting but shall not be entitled as such to vote thereat.
9. At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in the manner hereinafter mentioned, and unless a poll is so demanded, a declaration by the Chairman that on a show of hands the resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the meeting, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
10. Before or on the declaration of the result on voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by the holder(s) of Bonds representing not less than one-tenth of the nominal amount of the Bonds for the time being outstanding present in person or by proxy.

11. (i) A poll demanded on a question of adjournment shall be taken forthwith.
- (ii) A poll demanded on any other question (not being a question relating to the election of a Chairman) shall be taken at such time not being later than forty-eight hours from the time when the demand was made as the Chairman may direct.
12. At every such meeting each Bondholder(s)/the Beneficial Owner(s) shall, on a show of hands, be entitled to one vote only, but on a poll he shall be entitled to one vote in respect of every Bond of which he is a holder in respect of which he is entitled to vote.
13. (i) Any Bondholder(s)/the Beneficial Owner(s) entitled to attend and vote at the meeting shall be entitled to appoint another person (whether a Bondholder(s)/ the Beneficial Owner(s) or not) as his proxy to attend and vote instead of himself.
- (ii) In every notice calling the meeting there shall appear with reasonable prominence a statement that a Debenture-holder(s)/the Beneficial Owner(s) entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Bondholder(s)/the Beneficial Owner(s).
- (iii) The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy of the power of attorney shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll and in default, the instrument of proxy shall not be treated as valid.
- (iv) The instrument appointing a proxy shall:-
  - a. be in writing; and
  - b. be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- (v) The instrument appointing a proxy shall be in any of the forms set out at the foot of Annexure "D" to the Companies (Central Government's) General Rules and

Forms, 1956 and shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the Articles.

- (vi) Every Bondholder(s)/Beneficial Owner(s) entitled to vote at a meeting of the Bondholder(s)/Beneficial Owner(s) of the Company on any resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.
  - (vii) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Bond in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used.
14. On a poll taken at any meeting of the Bondholder(s)/ Beneficial Owner(s), a Bondholder(s)/Beneficial Owner(s) entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
15. (i) When a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.
- (ii) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (iii) Of the two scrutineers appointed under this Clause, one shall always be a Bond holder (not being an officer or employee of the company) present at the meeting,

provided such a Bondholder(s)/Beneficial Owner(s) is available and willing to be appointed.

16. (i) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
- (ii) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
17. In the case of joint Bondholder(s)/Beneficial Owner(s), the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the other joint holder or holder(s)/ owner(s).
18. The Chairman of a meeting of the Bondholder(s)/Beneficial Owner(s) may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
19. In the case of equality of votes, whether on a show of hands, or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote in addition to the vote to which he may be entitled to as a Bondholder(s)/ Beneficial Owner(s).
20. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
21. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
22. A meeting of the Bondholder(s)/Beneficial Owner(s) shall *inter alia* have the following powers exercisable in the manner hereinafter specified in clause 23 hereof:-



- (i) Power to sanction re-conveyance and release, substitution or exchange of all or any part of the Mortgaged Premises from all or any part of the principal moneys and interest owing upon the Bonds.
- (ii) Power to sanction any compromise or arrangement proposed to be made between the Company and the Bondholder(s)/ Beneficial Owner(s).
- (iii) Power to sanction any modification, alteration or, abrogation of any of the rights of the Bondholder(s)/Beneficial Owner(s) against the, Company or against the Mortgaged Premises or other properties whether such right shall arise under the Trust Deed or Bonds or otherwise.
- (iv) Power to assent to any scheme for reconstruction or amalgamation of or by the Company whether by sale or transfer of assets under any power in the Company's Memorandum of Association or otherwise under the Act or provisions of any law.
- (v) Power to assent to any modification of the provisions contained in the Trust Deed and to authorise the Trustees to concur in the execution of any Supplemental Deed embodying any such modification.
- (vi) Power to remove the existing Trustees and to appoint new Trustees in respect of the Trust Securities.
- (vii) Power to authorise the Trustees or any Receiver appointed by them where they or he shall have entered into or taken possession of the Mortgaged Premises or any part thereof to give up possession of such premises to the company either unconditionally or upon any condition. Power to give any direction, sanction, request or approval which under any provision of the Trust Deed is required to be given by a Special Resolution.

23. The powers set out in clause 22 hereof shall be exercisable by a Special Resolution passed at a meeting of the Debenture-holder(s)/Beneficial Owner(s) duly convened and held in accordance with provisions herein contained and carried by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is demanded by a majority representing not less than three-fourths in value of the votes cast on such poll. Such a Resolution is herein called "Special Resolution".
24. A Resolution, passed at a general meeting of the Debenture-holder(s)/Beneficial Owner(s) duly convened and held in accordance with these presents shall be binding upon all the Bondholder(s)/ Beneficial Owner(s) whether present or not, at such meeting and each of the Bondholder(s)/Beneficial Owner(s) shall be bound to give effect thereto accordingly, and the passing of any such resolutions shall be conclusive evidence that the circumstances justify the passing thereof, the intentions being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.
25. Minutes of all Resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered into books from time to time provided for the purpose by the Trustees at the expenses of the Company and any such minutes as aforesaid, if purported to be signed by the Chairman of the meeting at which such Resolutions were passed or proceedings held or by the Chairman of the adjourned meeting shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in-respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat or proceedings taken, to have been duly passed and taken.
26. Notwithstanding anything herein contained, it shall be competent to all the Bondholder(s)/Beneficial Owner(s) to exercise the rights, powers and authorities of the Debenture-holder(s)/Beneficial Owner(s) under the said Trust Deed by a letter or letters signed by or on behalf of the holder or holder(s)/owner(s) of atleast three-fourths in value of the Bonds outstanding without convening a meeting of the Bondholder(s)/Beneficial Owner(s) as if such letter or letters constituted a resolution or a special resolution, as the

case may be passed at a meeting duly convened and held as aforesaid and shall have effect accordingly.

**ANNEXURE – “I”**

**PART – “A”**

*(List of Subscriber(s) / Beneficial Owner(s) in respect  
of the XI<sup>th</sup> Series Bonds of Rs.40 Crores)*

1. West Bengal State Co-operative Bank Limited

**PART – “B”**

*(List of Subscriber(s) / Beneficial Owner(s) in respect  
of the XII<sup>th</sup> Series Bonds of Rs.120 Crores)*

Sr. No.	Name of the Subscriber(s) / Beneficial Owner(s)	Amount of Bonds (Rs. in Crores)
1.	Axis Bank Limited	100.00
2.	NEEPCO Employees' Provident Fund	20.00
	Total ::	120.00

**ANNEXURE – “II”**

**PART – “A”**

Disclosure Document  
Private and Confidential – Not for Circulation

(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)



**NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED  
(A Government of India Enterprise)**

**Regd. Office:** Brookland Compound, Lower New Colony, Shillong - 793 003, Meghalaya, India.  
Tel: (91) - (0364) - 2224487/2226453 Fax: (91)-(0364)- 2226417  
Website: [www.neepco.gov.in](http://www.neepco.gov.in) E-mail: [cranee@neepco.gov.in](mailto:cranee@neepco.gov.in)

(NEEPCO, a Schedule "A" Government of India Enterprise under the Ministry of Power was set up on the 2<sup>nd</sup> April, 1976 to plan, investigate, design, construct, generate, operate and maintain power stations in the North Eastern Region of the country. NEEPCO has an installed capacity of 1130 MW which is 49% of the total installed capacity of the N.E. Region. NEEPCO's authorised share capital is Rs.5000 Crores.)

DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF SECURED, REDEEMABLE NON CONVERTIBLE TAXABLE BONDS IN NATURE OF DEBENTURES (XII<sup>th</sup> Issue) OF THE FACE VALUE OF RS.10,00,000/- EACH AGGREGATING RS. 120.00 CRORES

**SOLE ARRANGER**



**AXIS Bank Limited**

Axis House, 8<sup>th</sup> Floor,  
Bombay Dyeing Mills Compound, 'C' Wing, Worli  
Pandurang Budhkar Marg, Mumbai - 400 025

**TRUSTEE FOR THE BONDHOLDERS**



**Axis Trustee Services Ltd.**

Registered Office  
2<sup>nd</sup> Floor, Axis House,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai 400 025  
Tel No:022-24252525/43252525

**REGISTRAR TO THE ISSUE**



**MCS Ltd.**

Registered Office  
Office No. 21/22, Ground Floor,  
Kashiram Jamnadas Building  
5. P D Mello Road,(Ghadiyal Godi)  
Mumbai - 400009  
Tel No: 022-23726252 -55  
Fax No. 022-23726256  
E -Mail: [mcskol@rediffmail.com](mailto:mcskol@rediffmail.com)

**BANKER TO THE ISSUE**



**AXIS Bank Limited**

Police Bazaar  
Shillong 793 001

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## I. DEFINITIONS/ABBREVIATIONS

Articles	Articles of Association of the Company
AY	Assessment Year
Board/ Board of Directors	The Board of Directors of NEEPCO Ltd.
Bonds	9.25% p.a. payable semi annually Series XII <sup>th</sup> Secured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures of Rs.10,00,000/- each offered through private placement route
Bondholder/Debenture holder	The holder of the Bonds
Book Closure / Record Date	The date of closure of register of Bonds for payment of interest and repayment of principal
BSE	Bombay Stock Exchange
CDSL	Central Depository Services (India) Ltd.
CMD	Chairman and Managing Director of NEEPCO
Depository(ies)	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act
Designated Stock Exchange	Bombay Stock Exchange Limited.
Deemed Date of Allotment	Date as specified in the summary term sheet
DER	Debt Equity Ratio
Disclosure Document	Disclosure Document dated 25 <sup>th</sup> June, 2012 for Private Placement of 9.25% p.a. payable semi annually Series XII <sup>th</sup> Secured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures of Rs.10,00,000/- each for cash at par.
DP	Depository Participant
DRR	Debenture Redemption Reserve
FIs	Financial Institutions
Fiscal	Period of twelve months period ending March 31 <sup>st</sup> , of that particular year unless otherwise stated
FY	Financial Year
Government/GOI	Government of India
ICRA	ICRA Ltd.
ITSL/ Trustee	Axis Trustee Services Limited.
Issuer/ NEEPCO/ Corporation/Company	North Eastern Electric Power Corporation Limited
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Memorandum	Memorandum of Association of the Company
MF	Mutual Fund
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Rs. / INR	Indian Rupee



RTGS	Real Time Gross Settlement
Registrar	MCS Ltd. ("MCS")
RBI	The Reserve Bank of India
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	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.
TDS	Tax Deducted at Source
The Companies Act/ the Act	The Companies Act, 1956 as amended from time to time.
The Issue/ The Offer/ Private Placement	Private Placement of 9.25% p.a. payable semi annually Series XII <sup>th</sup> Secured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures of Rs.10,00,000/- each for cash at par.

## II. DISCLAIMER

### GENERAL DISCLAIMER

This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds to be issued by NEEPCO Ltd. (the "Issuer"/ "NEEPCO"/ "the Company"). The document is for the exclusive use of the Institutions to whom it is delivered and it should not be circulated or distributed to third party(ies). 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 Bombay Stock Exchange of India Ltd. (hereinafter referred to as "BSE") for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the 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 ARRANGER**

In the light of SEBI circular no. SEBI/MRD/SE/AT/36/2003/30/09 dated September 30, 2003, SEBI circular no. SEBI/MRD/SE/AT/46/2003 dated December 22, 2003 and SEBI Notification no. LAD NRO/GN/2008/13/127878 dated June 06, 2008; it is advised that the NEEPCO has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Arranger in the assignment is confined to marketing and placement of the bonds on the basis of this Disclosure Document as prescribed by the NEEPCO. The Arranger has neither scrutinized/vetted nor have they done any due-diligence for verification of the contents of this Disclosure Document. The Arranger shall use this document for the purpose of soliciting subscription from the various investors in the bonds to be issued by the NEEPCO on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Arranger should not in any way be deemed or construed that the document has been prepared, cleared, approved, or vetted by the Arranger, 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 NEEPCO. 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.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

The private placement of Bonds is made in India to Companies, Corporate Bodies, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such Trust/ Society is authorized under constitution/ rules/ byelaws to hold bonds in a Company, Indian Mutual Funds registered with

SEBI, Indian Financial Institutions, Insurance Companies, Commercial Banks including Regional Rural Banks and Cooperative Banks, Provident, Pension, Gratuity, Superannuation Funds as defined under Indian laws. The Disclosure document does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Disclosure document comes is required to inform about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the courts **at Guwahati**. All information considered adequate and relevant about the Issuer 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.

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

Name of the Issuer	<b>North Eastern Electric Power Corporation Limited (NEEPCO)</b>
Registered Office	Brookland Compound, Lower New Colony, Shillong - 793 003, Meghalaya, India.
Telephone Number	0364 – 2223051/ 2505879 / 2506099
Fax Number	0364 – 2228542 / 2226749
Website	<a href="http://www.neepco.gov.in">www.neepco.gov.in</a>
E-mail	<a href="mailto:cranee@neepco.gov.in">cranee@neepco.gov.in</a>

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

**The Management of the affairs of NEEPCO vests with the Chairman & Managing Director, its Full Time and Part Time Directors, details of which are as under:**

Sl.	Name and Designation	Address
<b>FUNCTIONAL DIRECTORS :</b>		
1.	<b>Shri P. C. Pankaj, Chairman &amp; Managing Director</b>	} <b>North Eastern Electric Power Corporation Ltd., Brookland Compound, Lower New Colony, Shillong- 793003, Meghalaya</b>
2.	<b>Shri A. G. West. Kharkongor, Director (Finance)</b>	
3.	<b>Shri I. P. Barooah, Director (Personnel)</b>	
4.	<b>Shri U. Moral, Director (Technical)</b>	
<b>GOVERNMENT OF INDIA NOMINEES :</b>		
5.	<b>Joint Secretary (Hydro) Ministry of Power, Government of India,</b>	<b>Shram Shakti Bhawan, Rafi Marg, New Delhi 110 001</b>
<b>NORTH EASTERN STATES' NOMINEES :</b>		
6.	<b>Shri B. K. Dev Varma, Addl. Chief Secretary (Power), Government of Meghalaya</b>	<b>Main Secretariat Building, Shillong - 793 001, Meghalaya</b>
7.	<b>Shri T. P. Khaund, Principal Advisor, Government of Mizoram</b>	<b>Mizoram House, Vasant Vihar, New Delhi 110 057</b>

Note: Nominations from the State Governments of Assam, Arunachal Pradesh, Nagaland, Tripura and Manipur are yet to be received

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

NEEPCO is a Schedule "A" Government of India Enterprise under the Ministry of Power with a present Authorised Capital of Rs.5000 crores. Its primary goal is the integrated and efficient development of the Power Sector in the Region by planning, investigating and preparing preliminary feasibility and definite project reports followed by the actual construction, operation and maintenance of power stations and projects.

Since NEEPCO has been incorporated to operate primarily in the North Eastern Region, it would be pertinent to mention the immense potential of the region for generation of power. Additionally, the Region also has abundant resource of coal, oil and gas for thermal power generation. In spite of such huge potential the Region ranks lowest in the country in terms of per capita energy consumption. This has been mainly due to inhospitable climatic conditions, remote location and inaccessibility of geographical locations.

**Hydro-electric Power:** In terms of hydro power, the North Eastern Region has the potential of about 58971 MW, i.e. almost 40% of the country's total hydro potential. Of this huge hydro potential, less than 2% (1116 MW) has so far been harnessed as on 31.03.2010 and the remaining 98% is yet to be exploited.

**Natural Gas:** 151.68 billion cubic feet which is capable of generating 7500 mw for 10 years.

**Coal:** 864.78 Million tonnes against 186 Billion tones of reserves in the country. With the reserves in the N.E Region, approximately 240 MW/day can be generated for a period of 100 years.

However with continual improvement of infrastructure and communication facilities, the North East region stands to become the Power House of India by utilising its surplus power potential especially in the hydro sector.

## **MISSION STATEMENT**

- To harness the vast hydro & thermal power potential of the region.
- To produce pollution free and inexhaustible power through planned development of power generation projects.
- To play a significant role in the integration and development of hydroelectric and thermal power in the Central Sector covering all aspects such as investigation, planning, designs, construction, operation and maintenance of hydroelectric and thermal projects which in turn would effectively promote the development of the nation as a whole.

## **CERTIFICATIONS RECEIVED**

- ✓ ISO 9001-2000 Quality Management System
- ✓ ISO 14001-2004 Environmental Safeguards
- ✓ OHSAS 18001-1999 Occupational Health and Safety Standards

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Since its inception NEEPCO has always given top priority towards all round development of the people residing in and around its operational areas. As a responsible corporate citizen, NEEPCO has undertaken various community development activities particularly in the field of education, health, infrastructure development and other community needs. The Corporation is committed to discharge larger responsibilities towards the society in future.

## **NEEPCO'S CSR MISSION**

- 👉 To execute and operate projects in a cost effective, environment friendly and socio-economically responsive manner with thrust on energy conservation.
- 👉 To be a responsible corporate entity for nurturing human values with concern for society.
- 👉 To contribute towards community development and help achieve a high level of human development in the field of education and health in particular as human development contributes to welfare by enhancing 'capabilities' of people thereby increasing their productivity, income and general wellbeing.

## **PRODUCTS/SERVICES**

NEEPCO generates and supplies power primarily to the seven states of the North Eastern Region. The beneficiaries of NEEPCO are:

- ✍ Assam Power Distribution Company Ltd.
- ✍ Meghalaya Energy Corporation Ltd.
- ✍ Tripura State Electricity Corporation Ltd.
- ✍ Department of Power, Govt. of Arunachal Pradesh
- ✍ Electricity Department, Govt. of Manipur
- ✍ Power & Electricity Department, Govt. of Mizoram
- ✍ Department of Power, Govt. of Nagaland

## SUPPLY OF POWER

NEEPCO's generating stations feed power at their respective bus-bar into the Regional Grid. Power is transmitted to the Bulk Power Consumers through transmission systems of the Powergrid Corporation of India Ltd. (PGCIL) as well as the respective State Transmission Utilities (STU). Generation and transmission of power in the region is regulated by the North Eastern Regional Power Commission and the North Eastern Regional Load Despatch Centre which are the designated apex bodies for integrated operation and management of the Regional Power System (Regional Grid). Tariff for power from the various stations are fixed as per the Availability Based Tariff (ABT) by the Central Electricity Regulatory Authority (CERC). The ABT regime came into force in the North Eastern Region with effect from 01.11.2003. Presently, NEEPCO has the following generating power stations:

Sl.	Name of the Power Station	Installed Capacity	State
1	Khandong Power Station	50 MW	Assam
2	Kopili Power Station	200 MW	Assam
3	Kopili Hydro Electric Project – Stage II	25 MW	Assam
4	Doyang Hydro Electric Project	75 MW	Nagaland
5	Ranganadi Hydro Electric Project	405 MW	Arunachal Pradesh
<b>Sub-total (Hydro)</b>		<b>755 MW</b>	
6	Assam Gas Based Power Project	291 MW	Assam
7	Agartala Gas Based Power Project	84 MW	Tripura
<b>Sub-total (Thermal)</b>		<b>375 MW</b>	
<b>Grand Total</b>		<b>1130 MW</b>	

## BRIEF PROFILES OF THE GENERATING STATIONS

1. Khandong Power Station & 2. Kopili Power Station: They comprise the original Kopili Hydro Electric Project (100 MW) located on the River Kopili in the North Cachar Hills District of Assam which was the maiden venture of NEEPCO when it came into existence in 1976. The first stage of Kopili Hydro Electric Plant has two dam and dyke systems for creating two reservoirs, one on the Kopili River and the other on the Umrong stream, a tributary of the Kopili. Water from the Kopili reservoir is utilized in the Khandong power station through a 2852 metre long tunnel to generate 50 MW (2 X 25 MW) of power. The tail water from this powerhouse is led to the Umrong reservoir. The water from Umrong reservoir is taken through a 5473 metre long tunnel to the Kopili power station to generate 200 MW (4 X 50 MW) of power. Subsequently, the Stage I Extension (100 MW) of the project envisaged setting up two additional 50 MW units at Kopili Power Station, provisions for which were already kept during the first stage development of the project. The Units III and IV under this extension scheme were commissioned in March, 1997 and June, 1997 respectively. The total installed capacity of the Kopili Power Station thus went up to 200 MW and that of the project as whole to 250 MW. The raising of the Umrong reservoir by 7.6 m was taken up to meet the demand for more water for two additional 50 MW units of first stage extension.

3. Kopili Hydro Electric Project - Stage II: The second stage of the Kopili Hydro Electric Project involved construction of a powerhouse to generate additional 25 MW of power by utilizing water from the Kopili reservoir through a 480 m long water conductor system, provision of which was kept as a by-pass conduit from the surge shaft in the Khandong tunnel. The water from the second stage powerhouse goes to the Umrong reservoir for utilization in the Kopili power station

4. Doyang Hydro Electric Project: Situated on the River Doyang, a tributary of the River Brahmaputra, this Project with a capacity of 3 X 25 MW and an estimated annual generation of 227

Million Units was commissioned on the 2nd week of July'2000. The Project is located in Wokha District of Nagaland. It consists of three units of 25 MW each and has a Design Energy of 227 MU. The Dam is of Rock Fill type with a height of 87.50 m and length of 462 m. The steel lined HRT has double bifurcation, 5.92m in diameter and 427.86 m long and the Design Head is 67.0 m. The Evacuation System comprises a 132 kV D/C Doyang-Dimapur lines of PGCIL and a 132 kV S/C Doyang-Kohima line and 132 KV S/C Doyang-Mokochung line of Govt. of Nagaland.

5. Ranganadi Hydro Electric Project: This run-of-the-river Project is located in the Lower Subansiri District of the State of Arunachal Pradesh in the Ranganadi basin and the adjoining Dikrong basin. . It consists of three units of 135 MW each and has a Design Energy of 1509.66 MU. The Dam is of Concrete Gravity type with a height of 68 m and length of 340 m. The HR Tunnel has a diameter of 6.8 m and is 10.13 km long while the dimensions of the Penstock are 5.8 m dia x 778 m long; 4.75 m dia x 137 m long; 3.35 m dia x 147 m long. The Design Head is 304.0 m. The Evacuation System comprises 400 kV Ranganadi-Balipara D/C Lines of PGCIL and 132 kV Ranganadi-Nirjuli S/C Line, 132 kV Ranganadi-Along S/C Line of the Govt. of Arunachal Pradesh.

6. Assam Gas Based Power Project: This Combined Cycle Gas Turbine Project is located in the Dibrugarh District of Assam. It has been partly financed by a loan of 37.272 Billion Yen under bilateral credit arrangement with the Overseas Economic Cooperation Fund of Japan. It utilizes natural gas available in the oil fields of Upper Assam. The power station comprises of 6 Gas Turbines with associated Waste Heat Recovery Boilers and 3 Steam Turbines, arranged in a modular fashion. A module comprises of 2 Gas Turbines with associated Waste Heat Recovery Boilers and 1 steam turbine.

7. Agartala Gas Based Power Project: This project is located in the West Tripura District of the state of Tripura near the capital town of Agartala .The project runs on an Open Cycle Mode and consists of 4 Gas Turbines of 21 MW each of European Gas Turbine make operating on natural gas obtained from the gas fields of M/S ONGC. The Project has been financed through the budgetary support of the Government of India and partially through external commercial borrowings from the Deutsche Bank, Germany. The Project has been completed at a cost of Rs 322.55 Crores with a 50:50 debt equity ratio. The Project was completed in 1997-98.

#### **OFFICES**

NEEPCO's registered office is in the picturesque hill city of Shillong. It also has liaison offices in New Delhi, Kolkata, Guwahati and Itanagar.

#### **VI. BRIEF HISTORY OF ISSUER SINCE INCORPORATION, DETAILS OF ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS**

The North Eastern Electric Power Corporation Ltd. (NEEPCO Ltd.) was incorporated on 2<sup>nd</sup> April, 1976 under the Companies Act, 1956 with an Authorised Capital of Rs.75 crores. NEEPCO is a Schedule "A" Government of India Enterprise under the Ministry of Power. Its primary goal is the integrated and efficient development of the Power Sector in the Region by planning, investigating and preparing preliminary feasibility and definite project reports followed by the actual construction, operation and maintenance of power stations and projects.

#### **CAPITAL STRUCTURE OF NEEPCO**

NEEPCO is a fully owned Government of India Enterprise and its entire share capital is held by the Central Government. Presently, its authorized share capital is Rs.5000 crore. The paid up share capital of the Corporation was Rs.3292.23 Crore.

The investment by the Government of India in the Corporation has steadily risen since its incorporation with the infusion of additional Equity for every new project undertaken by the NEEPCO. Thus, the Authorized Capital of NEEPCO had to be gradually increased from the initial amount of Rs.75.00 crores to the present Rs.5000.00 crores.

<b>W. e. f. from (Year)</b>	<b>Amount (Rs. in crore)</b>
1975-76	75.00
1983-84	100.00
1985-86	200.00
1989-90	500.00
1995-96	1500.00
1998-99	2500.00
2003-04	3500.00
2009-10	5000.00

<b>CAPITAL STRUCTURE (as on 31.03.2012) (Unaudited)</b>	<b>Amount (Rs. in lakhs)</b>
AUTHORISED CAPITAL 5,00,00,00,000 (Previous year 5,00,00,00,000 ) equity shares of Rs.10/- each	<b>500000.00</b>
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 3,29,22,30,400 (Previous year 3,23,19,30,400 ) equity shares of Rs.10/- each	<b>329223.04</b>
<b>TOTAL PAID-UP CAPITAL</b>	<b>329223.04</b>



**FINANCIAL HIGHLIGHTS OF NEEPCO**
*(Rs. in Crores)*

<b>As on 31<sup>st</sup> March</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12 (Unaudited)</b>
Sales	860.31	857.83	1022.13	1198.28	1197.67
<b>Total Income</b>	<b>962.68</b>	<b>971.89</b>	<b>1114.35</b>	<b>1279.03</b>	<b>1269.72</b>
Cost of Sales	476.42	494.94	516.34	753.40	835.01
Depreciation	149.69	149.90	209.89	189.45	151.07
Deferred Revenue Exp. Written off	2.06	2.06	2.04	2.00	2.00
Interest & Financial Charges	112.48	88.53	49.87	25.79	15.25
<b>Profit for the Year</b>	<b>222.03</b>	<b>236.46</b>	<b>336.21</b>	<b>308.39</b>	<b>266.39</b>
<b>Prior period adjustment (Net)</b>	<b>(60.22)</b>	<b>(90.42)</b>	<b>(1.20)</b>	<b>(9.17)</b>	<b>2.11</b>
Profit before Tax	282.25	326.88	337.41	317.56	264.28
Profit after Tax	258.31	296.97	289.38	263.57	219.12
Share Capital	3183.94	3197.76	3232.76	3277.76	3292.23
Long Term Borrowing	962.49	834.24	637.04	869.73	1295.46
Free Reserve & Surplus	682.54	866.05	1091.32	1293.77	1443.77
Net Worth	3974.97	4182.17	4406.68	4619.14	4780.01
Gross Block	4643.30	4662.51	4732.43	4771.44	4728.22
Debt - Equity Ratio	0.30	0.26	0.20	0.27	0.39
Current Ratio	1.55	1.68	1.52	1.74	2.50
EPS (Rs. per share)	0.95	0.93	0.90	0.82	0.67

**DETAILS OF BORROWING AS ON 31.03.2012 (Unaudited):**
*Rs. in lakhs*

	<b>AS ON 31.03.2012</b>
<p>(A) SECURED BORROWINGS</p> <p>I. BONDS</p> <p>PRIVATE PLACEMENT:</p> <p><u>*SEVENTH ISSUE (2<sup>nd</sup> Tranche)</u>  9.85% (Taxable), Secured, Redeemable Non-Convertible Bonds of Rs.10,00,000.00 each, Redeemable at par on 1<sup>st</sup> May, 2012 with a put &amp; call option on 30<sup>th</sup> March, 2009 1<sup>st</sup> May, 2009.</p> <p><u>*NINTH ISSUE</u>  9.75% (Taxable), Secured, Redeemable Non-Convertible Bonds of Rs.10,00,000.00 each, Redeemable at par on 31<sup>st</sup> March, 2013 with a put &amp; call option on 31<sup>st</sup> March, 2008 .</p> <p><u>*ELEVENTH ISSUE</u>  10.20% (Taxable), Secured, Redeemable Non-Convertible Bonds of Rs.10,00,000.00 each, Redeemable at par on 15<sup>th</sup> December, 2021 with a put &amp; call option on 15<sup>th</sup> December, 2018.</p> <p>*NOTE : The asset value of Gas Turbine located in Assam Gas Based Power Project, Assam along with the landed property of the Corporation in the District of Mehsana , Gujarat have been identified for creation of security by way of mortgage through a Trust Deed with the appointed Trustee.</p>	<p>320.00</p> <p>5400.00</p> <p>4000.00</p>
<p><u>LOAN FUNDS – SECURED</u></p> <p>II. Loans from Power Finance Corporation Ltd.  [secured by first charge on all movable &amp; immovable assets created/to be created in respect of Kameng Hydro Electric Project, Arunachal Pradesh (Save &amp; except book stocks &amp; book debts)]  Repayable in 60 equal quarterly installment w.e.f. 15-01-2014</p> <p>III. Loans from Life Insurance Corporation of India  [Secured by the assets of Kopili HEP : Khandong Dam, Umrong Dam, Power House Khandong, Khandong Penstock, Dykes - Khandong, Tunnel-Khandong, Dyke-Umrong, Power House Khandong Electical Works (P&amp;M) - Khandong, Tunnel Umrong, Steel Liner and Penstock KoPH. also secured by the assets of Doyang HEP: Residential &amp; Non-Residential Buildings (Permanent), Road and Bridges and Diversion Tunnel]  (Repayable annually &amp; will be relinquished fully in July'2015)</p> <p>IV. Loan from KfW (Guaranteed by Government of India)  [Loan taken for construction of Pare Hydro Electric Project at Arunachal Pradesh]  Repayable in 30 equal half yearly installment w.e.f. 30-12-2013</p>	<p>89519.10</p> <p>2229.33</p> <p>11764.46</p>
<b>TOTAL Secured Loans (A)</b>	<b>113232.89</b>
<p>(B) UNSECURED LOANS</p> <p>I. Subordinate Loan from Government of India</p>	<p>16313.00</p>

Repayable in 15 equal annual installment starting from the 16 <sup>th</sup> year after commissioning of Tuirial Hydro Electric Project.	
<b>TOTAL Unsecured Loans (B)</b>	<b>16313.00</b>
<b>GRAND TOTAL (A + B)</b>	<b>129545.89</b>

### ON GOING PROJECTS

NEEPCO is presently constructing four more projects which will add another 871 MW to its Installed capacity. All the on-going projects have been allotted to NEEPCO by the Government of India in agreement with the respective State Governments. A summary of these projects is as follows:

Sl.	Name of the Project	Installed Capacity	State	Estimated Cost (Rs. in crore)
1	Tuirial Hydro Electric Project	60 MW	Mizoram	913.63
2	Kameng Hydro Electric Project	600 MW	Arunachal Pradesh	2496.90
3	Tripura Gas Based Project	101 MW	Tripura	623.44
4	Pare Hydro Electric Project	110 MW	Arunachal Pradesh	573.99
5	Agartala Gas Turbine Project - Extension	46 MW	Tripura	296.87
<b>Total</b>		<b>917 MW</b>		<b>4904.84</b>

### FINANCING PLAN

As per the guidelines of the Ministry of Power, the financing pattern for all the on-going projects is on a Debt-Equity Ratio of 70 : 30 except in the case of the Tuirial HEP which has been approved with a Debt-Equity Ratio of 85 : 15. The financing plan for NEEPCO's on-going projects is given below:

Sl.	Name of the Project	Equity		Debt	
		Amount	Source	Amount	Source
1	Tuirial Hydro Electric Project	137.05	MoP, GOI	184.62 291.96 300.00	Financial Institution GOI Subordinated loan DONER Grant
2	Kameng Hydro Electric Project	749.07	MoP, GOI	11.00 1736.83	Bonds PFC
3	Tripura Gas Based Project	187.03	Internal Resources	100.00 336.41	Bonds Market Borrowing/ECB
4	Pare Hydro Electric Project	172.20	MoP, GOI	401.79	KfW, Germany
5	Agartala Gas Turbine Project - Extension	89.06	Internal Resources	207.81	Market Borrowing

Note: GOI - Government of India

### VII. SUMMARY TERM SHEET

ISSUER	North Eastern Electric Power Corporation Limited
INSTRUMENT	Secured, Redeemable Non Convertible and Taxable Bonds in the nature of Debentures (XII <sup>th</sup> Issue)
ISSUE SIZE	Rs.120,00,00,000
ISSUANCE FORM	Dematerialized Form
CREDIT RATING	" [ICRA] AA-" by M/s. ICRA Limited
SECURITY	Debentures together with interest costs and all other monies shall be secured by first pari-passu charge on identified Fixed Assets of the company with minimum asset cover of 100% through out the tenure of the debentures.
FACE VALUE	Rs.10,00,000.00 (Rupees ten lakhs) per Bond
MINIMUM SUBSCRIPTION	Application should be for minimum of five Bonds and thereafter in multiples of one Bond
TENURE	10 Years
COUPON RATE	9.25% p.a. payable semi-annually
INTEREST PAYMENT	Semi - annual
REDEMPTION	20% each at the end of 6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> and 10 <sup>th</sup> years respectively
PUT & CALL OPTION	None
INTEREST ON APPLICATION MONEY	At the Coupon Rate from the date of realization of RTGS/ECS/Cheque/ Interest or Redemption Warrant/ Demand Draft up to one day prior to the Deemed Sale of Allotment (subject to deduction of Tax at Source, as applicable)
SETTLEMENT	Payment of Interest and repayment of Principal shall be made by way of credit through RTGS/ECS mechanism/Cheque/Interest or Redemption Warrant/ Demand Draft
LISTING	Proposed to be listed on Wholesale Debt Market (WDM) segment of BSE
DEPOSITORY	National Securities Depository Limited and Central Depository Services (India) Limited
DEBENTURE TRUSTEE	Axis Trustee Services Limited
REGISTRAR & TRANSFER AGENT	MCS Limited

**Issue Schedule:**

Issue Opening date	26-Jun-12
Issue Closing date	27-Jun-12
Deemed Date of Allotment	27-Jun-12
Record Date	Record date for payment of interest & principal will be 15 calendar days prior to the date of payment.

**VIII. TERMS OF OFFER (DETAILS OF DEBT SECURITIES PROPOSED TO BE ISSUED, MODE OF ISSUANCE, ISSUE SIZE, UTILIZATION OF ISSUE PROCEEDS, STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED, REDEMPTION AMOUNT, PERIOD OF MATURITY, FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTORS)**

**PRIVATE PLACEMENT OF SECURED, REDEEMABLE NON CONVERTIBLE TAXABLE BONDS  
IN NATURE OF DEBENTURES (XII<sup>th</sup> ISSUE) OF THE FACE VALUE OF Rs.10,00,000/- EACH  
AGGREGATING Rs.120.00 CRORES**

**AUTHORITY FOR THE ISSUE**

**The issue is being made in pursuance of the Board Resolution dated 22<sup>nd</sup> June 2012.**

**ISSUE SIZE**

NEEPCO Ltd. (the 'Issuer' or "NEEPCO Ltd" or "the Company" or "the Corporation") proposes to raise Rs.120 crore, through issue of Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds in the nature of Debentures, on Private Placement basis of the face value of Rs.10,00,000/- each by way of private placement ('the Issue').

**REGISTRATION AND GOVERNMENT APPROVALS**

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

## **OBJECTS OF THE ISSUE**

The funds will be utilized for financing the construction of the Tripura Gas Based Power Project at Monarchak, Tripura

## **UTILISATION OF ISSUE PROCEEDS**

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

## **MINIMUM SUBSCRIPTION**

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

## **NATURE OF THE BOND**

The bonds are Secured, Redeemable, Non-Convertible Taxable and in the nature of transferable Debentures.

## **SECURITY**

**The Bonds together with interest costs and all other monies and amounts payable in respect of these Bonds will be fully secured by first pari-passu charge on identified Fixed Assets of the company with a minimum asset cover of 100% throughout the tenure of Bonds in favour of a Trustee.**

**The said security shall be created in favour of the Trustees within 3 months from the Deemed Date of Allotment or such extended period as may be permitted by the relevant authority(ies). The Security will be created by the Company, as aforesaid, in favour of the Trustee on such of the assets for which the Company obtains, after all due diligence and efforts, the requisite consents and permissions applicable under law or in accordance with the contractual conditions of holding of such assets for creating the above-mentioned charge. The creation of such security shall be sufficient compliance of the Company's obligation to create security.**

## **TERMS OF PAYMENT**

The full face value of the Bonds applied for is to be paid along with the application form. Investor(s) need to send in the application form and the Cheque/Demand Draft/ RTGS/ECS for the full face value of the Bonds applied for.

<b>Issue Price of the Bond</b>	<b>Minimum Application for</b>	<b>Amount Payable on Application per Bond</b>
Rs.10 lakhs	5 Bonds and in multiples of 1 Bond thereafter	Full Issue Price i.e. Rs.10 lakhs

#### PAY-IN-DATE & DEEMED DATE OF ALLOTMENT

Pay-in Date shall be the date on which application money has to be paid in favour of “**North Eastern Electric Power Corporation Ltd.**” by a Cheque/Demand draft. The funds can also be remitted through RTGS. Details of the Account of the Company are given in the Application form of this document. The Company reserves the right to shift the Pay-in Date and/or the Deemed Date of Allotment to any other date or allot the Bonds on multiple dates without giving any reason or any prior notice. The Company may at its sole discretion accept the subscription amount after the Pay-in Date. All benefits available to the investors shall be from the Deemed Date of Allotment and actual allotment may occur on a date other than the Deemed Date of Allotment.

#### LETTER(S) OF ALLOTMENT/ BOND CERTIFICATE(S)/ REFUND ORDER(S) ISSUE OF 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 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)

The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1997, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1997, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in DEMAT form only.

#### MODE OF TRANSFER OF BONDS

**Transfer of these dematerialized bonds should be in accordance with the rules/procedures as prescribed by NSDL/CDSL/Depository participant of the transferor/transferee and all other applicable laws and rules notified in respect thereof.**

#### PUT/ CALL OPTION

**There is NO option for any Put or Call in the current issue.**

#### **DEPOSITORY ARRANGEMENTS**

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 dematerialized form. As per the provisions of Depositories Act, 1996, the Bonds issued by The Company can be held in a dematerialized 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 18<sup>th</sup> June, 2002 between NEEPCO, NSDL and MCS Limited
- Tripartite Agreement dated 4<sup>th</sup> April, 2002 between NEEPCO, CDSL and MCS Limited

#### **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/ Dematerialised 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-à-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. Bombay Stock Exchange Limited., where the Bonds of the Company are proposed to be listed has connectivity with NSDL and CDSL.

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 15 days.**

### **BOND TRUSTEES**

The Company has appointed **Axis Trustee Services Limited** as trustees for the Bondholders. The Company will enter into a Trusteeship Agreement/Trust Deed, inter-alia, specifying the powers, authorities and obligations of NEEPCO and the Trustees in respect of these Bonds. All remedies to the Bondholder(s) for the amounts due on the Bonds will be vested with the Trustees on behalf of the Bondholder(s).

The holders of the Bonds shall, without any further act or deed, be deemed to have irrevocably given their consent to and authorized the Trustees to do, inter-alia, acts and deeds and things necessary in respect of or relating to the security to be created for securing the bonds being offered in terms of this Information Memorandum of Private Placement. All the rights and remedies under the Bond Trust Deed and/ or other security documents shall vest in and be exercised by the Trustees without having the same referred to the Bondholders.

### **FICTITIOUS APPLICATIONS**

Any person who:-

- a) Makes, in a fictitious name, an application to a body corporate for acquiring or subscribing to, the bonds, or



b) Otherwise induces a body corporate to allot, or register any transfer of, bonds therein to them, or any other person in a fictitious name, shall be liable for legal consequences of such action.

### **MARKET LOT**

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

### **INTEREST ON APPLICATION MONEY**

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

Such interest shall be paid from and including the date of realisation of cheque(s)/demand draft(s)/RTGS/ECS up to but excluding the Deemed Date of Allotment. Such interest would be paid on all valid application. The interest on application money will be computed on the basis of actual number of days elapsed in a year. For this purpose a year would comprise a period of 365 days. In the leap year the month of February shall be considered as of 29 days and the year would be of 366 days. Such interest would be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the refund orders.

The interest on application money will be remitted through RTGS/ECS or interest cheque(s)/demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the NEEPCO **within 10 days** from the Deemed Date of Allotment and the relative interest warrant(s) along with the Refund Order(s), as the case may be, will be dispatched by registered post/courier/speed post to the sole/ first applicant, at the sole risk of the applicant.

### **INTEREST ON BONDS**

The Bonds shall carry interest at the coupon rates as per term sheet (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by NEEPCO) on the outstanding principal amount of Bonds till final redemption. Interest will be paid semi annually on **15<sup>th</sup> May** and **15<sup>th</sup> November** each year throughout the tenure of the Bonds till final redemption.

The first interest period shall be defined as actual number of days falling between the **Deemed Date of Allotment to 15<sup>th</sup> November, 2012** including the first date but excluding the last date. The first interest payment would be made on **15<sup>th</sup> November, 2012**. This will be calculated by multiplying the nominal amount with the interest rate on an "**Actual / 365**" day basis. The second and subsequent interest period is defined as the actual number of days between **15<sup>th</sup> November** and **15<sup>th</sup> May** and **15<sup>th</sup> May & 15<sup>th</sup> November** including the first date but excluding the last date. This will be calculated by multiplying the nominal amount by the Interest Rate with the actual number of days divided by 365/366 days, as the case may be. The last Interest Payment would be made on the final redemption date, along with the redemption of principal amount. The last interest payment shall again be calculated on actual number of days i.e. from interest payment date to a day immediately preceding the redemption. This shall be calculated by multiplying the nominal amount with the interest rate with the actual number of days divided by 365/366 days, as the case may be. (Interest payment schedule is attached at Annexure.)

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

Interest on Bonds will cease from the date of final redemption in all events. If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in the city of **Shillong**, then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period

### **COMPUTATION OF INTEREST**

The Bonds will carry interest rates as per the term sheet from the Deemed Date of Allotment. The interest will be paid from the Deemed Date of Allotment (subject to deduction of tax at source at the rates prevailing from time to time under the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof) as per term sheet. The Interest shall be computed on "**Actual / Actual**" day count basis.

### **RECORD DATE**

The Record Date for all interest payments and repayment of the bond value upon redemption will be the day immediately pre-ceding the period of **15 days prior to the interest payment or redemption date**, as the case may be. Such payment will be made to the bondholder as appearing in the records of the RTA as on the said date. In case the Record Date/payment date falls on a Sunday or a Bank Holiday, the next working day following the Sunday or Bank Holiday will be considered as the Record Date/payment date.

### **DEDUCTION OF TAX AT SOURCE**

Tax applicable under the Income-Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/ document, under section 193/197/197A of the Income Tax Act, 1961, if any, must be lodged at the office of the Issuer, at least fifteen (15) days prior to the interest payment date. The applicants must submit tax exemption certificate, if applicable, in respect of the interest on application money, if any, along with the application form as required under the Income Tax Act, 1961. In case of tax deducted at source, the Company will send the TDS certificate to the investors. Therefore, to ensure non-deduction/lower deduction of tax at source from interest on application money, the investors should submit Form 15H/15AA, authority letter from Assessing Officer for non-deduction of tax as may be applicable, with the Application Form, on or before the closure of the Issue.

Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investor is advised to consult his tax advisor before investing in the Bonds to be issued by NEEPCO.

### **REDEMPTION**

The Bonds will be redeemed in 5 (Five) equal annual instalments each amounting to 20% of the Face Value and aggregating Rs.24,00,00,000 at the end of 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> years respectively from the Deemed Date of Allotment. The Bonds, up to the extent of the Face Value/installment(s) already redeemed, will not carry any obligation, for interest or otherwise, after the date of redemption.

The Bonds held in the dematerialised form shall be taken as discharged on payment of the

redemption amount by the Company on maturity to the registered Bondholders whose name appear in the Register of Bondholders on the record date. Such payment will be a legal discharge of the liability of the Company towards the Bondholders.

In case the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business), then the payment due shall be made on the next Business Day but without liability for making payment of interest for the intervening period.

### **PAYMENT ON REDEMPTION**

Payment on redemption will be made by cheque(s)/warrants(s) /demand draft /credit through ECS/RTGS system in the name of the Bondholder(s) whose name appears on the List of Beneficial Owners given by Depository to NEEPCO as on the Record Date. The Issuer's liability to Bondholder(s) towards all their rights including payment of interest or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further, the Issuer will not be liable to pay interest, income or compensation of any kind from the date of such redemption of the Bonds.

Each installment of the Bonds shall be taken as discharged upon payment of the redemption amount on the 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> anniversary dates. The Bonds shall be taken as fully discharged upon payment of the final redemption installment on the 10<sup>th</sup> anniversary date. Such payment will be a legal discharge of the all liability of the Company towards the Bondholders. On payment of each redemption installment, the Company will inform NSDL/CDSL and accordingly the account of the Bondholders with NSDL/CDSL will be adjusted.

The liability of the Company shall stand discharged on posting of redemption warrants by Registered Post and/or remitting the redemption proceeds through ECS/EFT/RTGS to the above said Beneficiaries. No claim, damages or penal interest in respect of delayed payment, etc. shall lie upon the Company in the event of non-receipt of the same by the addressee Bondholder.

### **RIGHTS OF BONDHOLDERS**

Bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The Bond(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the General Meeting of the Company. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint Holders, to the one whose name stands first. Besides the above, the Bonds shall be subject to the provisions of the Companies Act, 1956, the Articles of Association of NEEPCO, the terms of this bond issue and the other terms and conditions as may be incorporated in the Trust deed and other documents that may be executed in respect of these Bonds.

### **EFFECT OF HOLIDAYS**

Should any of the dates defined anywhere in the present Information Memorandum, except the Deemed Date of Allotment, fall on a Sunday or a Holiday, the next working day shall be considered as the effective date. In case the date involves a payment, then the next working day on which Scheduled Commercial Banks in Shillong are open for business shall be considered as the effective date.

### **LIST OF BENEFICIAL OWNERS /REGISTER OF BENEFICIAL OWNERS**

The Company shall request the RTA 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 RTA 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

## **SUCCESSION**

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Company shall recognize the executor or administrator of the deceased Bondholder, or the holder of succession certificate or other legal representative as having title to the Bond(s). The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Company may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

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

- a. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
- b. Proof that the NRI is an Indian National or is of Indian origin. Such holding by the NRI will be on a non-repatriation basis

## **WHO CAN APPLY**

- Companies, Bodies Corporate and Societies registered under the applicable laws and authorized to invest in Bonds
- Commercial Banks and Financial Institution
- Regional rural banks
- Co-operative Banks
- Provident Funds, Superannuation funds and Gratuity funds and other Trusts which are authorized to Invest in bonds
- Statutory Corporation / Financial Institutions
- Mutual funds
- Insurance Companies
- Scientific and / or Industrial Research Organisations, which are authorized to invest in bonds.
- Non Banking Finance Companies and Residuary Non-Banking Finance Companies.
- Any other investor authorized to invest in these bonds, subject to confirmation from the issuer

However, out of the aforesaid class of investors eligible to invest, this Memorandum is intended solely for the use of the person to whom it has been sent by NEEPCO for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other person(s) other than professional advisors of the prospective investor receiving this Memorandum from NEEPCO.

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

The applications must be accompanied by certified true copies of (1) Memorandum and Articles of Association/ Constitution/ Bye-laws (2) Resolution authorizing investment and containing operating instructions (3) Specimen signatures of authorized signatories (4) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable

## **APPLICATION UNDER POWER OF ATTORNEY OR BY LIMITED COMPANIES**

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

## **APPLICATION BY MUTUAL FUNDS**

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian mutual fund registered with SEBI. The applications made by the Asset Management Companies (AMC) or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made. The application must be accompanied with certified true copies of:

1. SEBI registration certificate.
2. Resolution authorizing investment & containing operating instructions.
3. Specimen signatures of authorised signatories

## **MODE OF SUBSCRIPTION**

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

Copies of Disclosure Document and Application form may be obtained from the Registered Office of NEEPCO Ltd. Applications for the Bonds must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications should be for a minimum of Five Bonds and in multiples of One Bond thereafter. All cheques should be in favour of "**North Eastern Electric Power Corporation Ltd.**" and crossed "**Account Payee Only**". Alternatively, investors can remit their application money by way of electronic transfer of funds through RTGS mechanism for credit in the account of "**North Eastern Electric Power Corporation Ltd.**". For details, please refer to the "Instructions" detailed in the "Application Form.

## ***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.

## **RIGHT TO PURCHASE / REISSUE**

Company may purchase the bonds in the open market through market makers or otherwise. Company shall retain the right or power to cancel, hold, resell or reissue these bonds or reissue other bonds in lieu thereof.

## RIGHT TO ACCEPT OR REJECT APPLICATIONS

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

Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

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

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

## PAN/GIR NUMBER

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

## 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.

## NOMINATION FACILITY

As per Section 109(A) of the Companies Act, 1956, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Bonds shall vest in the event of his death. Non individuals including holders of Power of Attorney cannot nominate.

## MODIFICATION OF RIGHTS

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

## **FUTURE BORROWINGS**

Company reserves the right to make further issues of Bonds or raise loans from any source it deems fit on the security or otherwise of its assets without the consent of the Trustees and without any approval from the bondholders of these present bonds.

## **BOND/ DEBENTURE REDEMPTION RESERVE (BRR)**

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

## **DECLARATION REGARDING NON-DEFAULT**

Company has never defaulted in payment of interest or principal redemption on any of the Bonds issued by it nor has it defaulted in case of non-allotment of Bonds or payment of application money.

## **NOTICES**

Any notice to the Bondholder required to be sent by Company shall be deemed to have been given if sent by registered post /courier to the holders appearing in the most recent records of the RTA.

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.

All communications from bondholders to NEEPCO shall be addressed to:

***The General Manager (Finance), Funds Section, North Eastern Electric Power Corporation  
Limited,  
Brookland Compound, Lower New Colony, Shillong 793 003.***



## **TAX BENEFITS TO THE BONDHOLDERS OF THE COMPANY**

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

## **DISPUTES & GOVERNING LAWS AND JURISDICTION**

The Bonds shall be construed to be governed in accordance with Indian laws and rules framed there under. Any dispute between NEEPCO and the bondholders will subject to the jurisdiction of the Guwahati High Court.

## **COMPLIANCE OFFICER**

Ms. Cathleen R. Ranee  
Senior Manager (Finance), NEEPCO Limited  
Brookland Compound, Lower New Colony,  
Shillong - 793 003, Meghalaya, India  
Tel.: 0364-2506099  
Fax: 0364-2228542/2505776  
E-mail: [cranee@neepco.gov.in](mailto:cranee@neepco.gov.in)

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

## **IX. CREDIT RATING**

ICRA Limited (ICRA) has assigned a rating of “[ICRA] AA-” (Pronounced as ICRA double A minus) to the proposed Bonds vide their letters dated **18<sup>th</sup> June, 2012**. The rated instrument carries very low credit risk. Please refer to Annexure for copies of the Rating Letters.

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

Axis Trustee Services Limited has given its consent to the Company vide their letter dated **22<sup>nd</sup> June, 2012** for being appointed as Bond Trustee for the Private Placement of Secured, Non-Convertible, Redeemable and Taxable Bonds to be issued during 2012-13.

Axis Trustee Services Ltd  
2<sup>nd</sup> Floor, Axis House  
Bombay Dyeing Mills Compound  
Pandurang Budhkar Marg  
Worli, Mumbai 400 025  
Tel No:022-24252525/43252525

NEEPCO and the Trustees shall enter into a Trustee Agreement specifying, inter alia, the powers, authorities and obligations of the Trustees and NEEPCO. By applying for the Bonds, the Bondholders shall without further action or deed, be deemed to have irrevocably given their consent to and authorised the Trustees or any of their agents or authorized officials to do, inter alia, all acts, deeds, matters and things in respect of or relating to the security to be created for securing the Bonds being offered in terms of this Document including the right to substitute or release any property charged in their favour and/or to create a charge on additional properties in their favour including the right of the Trustees to release, and/or substitute relevant title deeds in respect thereof. All the rights and remedies of the Bondholders shall vest in and shall be exercised by the Trustees without reference to the Bondholders. Any payment made by NEEPCO to the Trustees on behalf of the Bondholders shall discharge NEEPCO any liability to the Bondholders. No

Bondholder shall be entitled to proceed directly against NEEPCO unless the Trustees, having become so bound to proceed, fail to do so.

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

The Secured Non-Convertible Redeemable Bonds in the nature of Debentures) are proposed to be listed on the Wholesale Debt Market (WDM) Segment of the **Bombay Stock Exchange of India Ltd. (“BSE”)**. The Company has obtained an in-principle approval from the BSE for listing of said Bonds on its Wholesale Debt Market (WDM) Segment. The Company shall make an application to the BSE 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 70 days from the date of closure of the Issue**. If such permission is not granted **within 70 days** from the date of closure of the Issue or where such permission is refused before the expiry of the 70 days 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 70 days 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 BSE, the Company hereby undertakes that:

- (a) It shall comply with conditions of listing of Bonds as may be specified in the Listing Agreement with BSE.
- (b) Ratings obtained by the Company shall be periodically reviewed by the credit rating agencies and any revision in the rating shall be promptly disclosed by the Company to BSE.
- (c) Any change in rating shall be promptly disseminated to the holder(s) of the Bonds in such manner as BSE may determine from time to time.
- (d) The Company, the Trustees and BSE shall disseminate all information and reports on Bonds including compliance reports filed by the Company and the Trustees regarding the Bonds to the holder(s) of Bonds and the general public by placing them on their websites.
- (e) Trustees shall disclose the information to the holder(s) of the Bonds and the general public by issuing a press release in any of the following events:
  - (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 & BSE.

#### **X11. 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)**

##### **TOP HOLDERS OF EACH CLASS OR KIND OF SECURITIES**

##### **LOANS**

<b>Sl.</b>	<b>Source</b>	<b>Amount (Rs. in Crores)</b>
1	Power Finance Corporation Ltd.	895.19
2	Life Insurance Corporation Of India Ltd.	22.29
3	KfW, Germany	117.65
4	Govt. of India – Subordinate Loan	163.13

**TOP TEN BOND HOLDERS**

<b>Sl.</b>	<b>Name of Bondholder</b>	<b>Amount (Rs. in Crore)</b>
1	Food Corporation of India CPF Trust	20.00
2	LIC A/c Varishtha Pension Bima Yojana	14.50
3	State Bank of Bikaner and Jaipur Employees' Pension Fund	10.00
4	The Life Insurance Corporation of India	10.00
5	State Bank of Patiala Employees' Pension Fund	10.00
6	NALCO Employees Provident Fund Trust	7.20
7	State Bank of Bikaner and Jaipur Employees' Provident Fund	5.00
8	Board of Trustees G. S. R. T. C. CPF	3.20
9	The New India Assurance Company Ltd. Employees' Gratuity Fund	2.00
10	The New India Assurance Company Employees' Pension Fund	2.00
11	Sesa Group Employees' Provident Fund	2.00

**TOP EQUITY HOLDERS**

Sl.	No. of Shares	Amount (Rs. in lakhs)	Originally in the name of	Remarks
1	100	0.01	The President of India	To be transferred to current Chairman & managing Director, NEEPCO Ltd. on receipt of instruction from MoP.
2	100	0.01	Shri M. R. Ghosh, ex- Director (Finance), NEEPCO Ltd.	To be transferred to current Director (Finance), NEEPCO Ltd. on receipt of instruction from MoP.
3	100	0.01	Shri U. Moral, Director (Technical), NEEPCO Ltd.	
4	100	0.01	Shri I. P. Barooah, Director (Personnel), NEEPCO Ltd.	
5	100	0.01	Shri Sudhir Kumar Joint Secretary (H), Ministry of Power	
7	100	0.01	Shri Sisir Das, Dy. Secretary (Finance) Ministry of Power	
8	3292229800	329222.98	The President of India	Equity issued against various projects
<b>TOTAL</b>	<b>3292230400</b>	<b>329223.04</b>		

**DETAILS OF DEBT SECURITIES ISSUED IN THE PAST**

NEEPCO has mobilized funds from through various Bond issues, most of which have already been redeemed as on date. The outstanding Bond issues of the Corporation are:

Sl.	Name of the Bond	Amount (Rs. in crore)	Date of Redemption
1	9.75% (Taxable), Secured Non-Convertible Redeemable Bonds IX <sup>th</sup> Issue	54.00	Redeemable on 31.03.2013
2	10.20% (Taxable), Secured Non-Convertible Redeemable Bonds XI <sup>th</sup> Issue	40.00	Redeemable on 15.12.2021
<b>Total</b>		<b>94.00</b>	

**DEBT EQUITY RATIO PRIOR TO AND AFTER THE ISSUE OF THIS SECURITY:**

Prior to the Issue	After the issue
0.39	0.43

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

The Company confirms that other than and to the extent mentioned elsewhere in this Disclosure Document, it has not issued any shares or debt securities or agreed to issue any shares or debt securities for consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

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

The Company hereby confirms that:

- a) The main constituents of the Company's borrowings have been in the form of borrowings from Financial Institutions, Bonds, etc. and Company has been servicing its principal and interest liabilities on time and there has been no instance of delay or default since inception.
- b) The Company has neither defaulted in repayment/ redemption of any of its borrowings nor affected any kind of roll over against any of its borrowings in the past.

**XIV. UNDERTAKING REGARDING COMMON FORM OF TRANSFER**

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

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

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

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

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

**XVI. 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 hereby undertakes that it shall seek consent from the existing charge holders for creating of security for the Bonds on pari-passu basis. In future, the Trustees shall provide consent to create pari-passu charge subject to Company's complying with the requisite terms of the Bonds issued.

## **XVII. MATERIAL CONTRACTS & DOCUMENTS**

By the very nature of its business, NEEPCO is involved in a large number of transactions and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of NEEPCO. However, the contracts referred to below (not being contracts entered into in the ordinary course of the business carried on by NEEPCO) which are or may be deemed to be material have been entered into by NEEPCO. Copies of these contracts together with the copies of documents referred below may be inspected at the Head Office of NEEPCO between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

- a) Copy of letters appointing Arrangers to the Issue.
- b) Copy of letter appointing Registrar and Transfer Agents.
- c) Copy of letter appointing Axis Trusteeship Services Ltd. as Trustees to the Bondholders
- d) Memorandum and Articles of Association of NEEPCO as amended from time to time.
- e) Board Resolution dated **22<sup>nd</sup> June, 2012** authorizing issue of Bonds offered under terms of this Disclosure Document.
- f) Letter of consent from Axis Trusteeship Services Ltd. for acting as Trustees for and on behalf of the holder(s) of the Bonds.
- g) Letter of consent from MCS Limited for acting as Registrars to the Issue.
- h) In-principle approval from BSE for of listing of Bonds.
- i) Letters from ICRA conveying the Credit Rating dated **18<sup>th</sup> June, 2012** for the Bonds of NEEPCO and the rating rationale pertaining thereto.
- j) Tripartite Agreement between NEEPCO, NSDL & MCS Ltd. for issue of Bonds in Dematerialized form.
- k) Tripartite Agreement between NEEPCO, CDSL and MCS Ltd. for issue of Bonds in Dematerialized form

## **DECLARATION**

It is hereby declared that this Disclosure Document contains full disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LADNRO/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 its meeting held on **22<sup>nd</sup> June, 2012**.

for **North Eastern Electric Power Corporation Limited**.

**(Alexander Gordon West Kharkongor)**  
**Director (Finance)**  
Place: Shillong

Date: 25<sup>th</sup> June, 2012

## **XIX. ANNEXURES**

- Credit Rating letters dated 18<sup>th</sup> June, 2012 from Rating Agency – ICRA  
*Enclosed*
- Consent letter dated 22<sup>nd</sup> June, 2012 from Trustee - Axis Trustee Services Limited  
*Enclosed*
- Consent letter dated 25<sup>th</sup> June, 2012 from Registrar & Transfer Agent - MCS Limited  
*Enclosed*
- Consent letter dated 21<sup>st</sup> June, 2012 from Axis Bank Ltd. to act as Banker to the Issue  
*Enclosed*
- Application form & Instructions  
*Enclosed*



**ANNEXURE – “II”**

**PART – “B”**

Disclosure Document  
Private and Confidential – Not for Circulation

(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)



**NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED  
(A Government of India Enterprise)**

**Regd. Office:** Brookland Compound, Lower New Colony, Shillong - 793 003, Meghalaya, India.  
Tel: (91) - (0364) - 2224487/2226453 Fax: (91)-(0364)- 2226417  
Website: [www.neepco.gov.in](http://www.neepco.gov.in) E-mail: [cranee@neepco.gov.in](mailto:cranee@neepco.gov.in)

(NEEPCO, a Schedule "A" Government of India Enterprise under the Ministry of Power was set up on the 2<sup>nd</sup> April, 1976 to plan, investigate, design, construct, generate, operate and maintain power stations in the North Eastern Region of the country. NEEPCO has an installed capacity of 1130 MW which is 49% of the total installed capacity of the N.E. Region. NEEPCO's authorised share capital is Rs.5000 Crores.)

DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF SECURED, REDEEMABLE NON CONVERTIBLE TAXABLE BONDS IN NATURE OF DEBENTURES (XI<sup>th</sup> Issue) OF THE FACE VALUE OF RS.10,00,000/- EACH AGGREGATING RS. 40.00 CRORES

**SOLE ARRANGER**



**LKP Securities Ltd**

203 Embassy Center, Nariman Point, Mumbai: 400057  
Phone No: +91-22-66548580, Fax No: +91-22-22842415

**TRUSTEE FOR THE BONDHOLDERS**



**Axis Trustee Services Ltd.**

Registered Office  
2<sup>nd</sup> Floor, Axis House,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai 400 025  
Tel No:022-24252525/43252525

**Banker to the Issue**



**State Bank of India**

Main Branch,  
Kachari Road  
Shillong 793 001  
Tel No: 0364-2228899

**REGISTRAR TO THE ISSUE**



**MCS Ltd.**

Registered Office  
Office No. 21/22, Ground Floor,  
Kashiram Jamnadas Building  
5. P D Mello Road,(Ghadiyal Godi)  
Mumbai - 400009  
Tel No: 022-23726252 -55  
Fax No. 022-23726256  
E -Mail: [mcskol@rediffmail.com](mailto:mcskol@rediffmail.com)

INDEX	TITLE
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VII.	Summary Term Sheet
VIII.	Terms of Offer (details of debt securities proposed to be issued, mode of issuance, issue size, utilization of issue proceeds, stock exchanges where securities are proposed to be listed, redemption amount, period of maturity, yield on redemption, discount at which offer is made and effective yield for investor)

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D.	Consent letter dated 30.11.2011 from State Bank Of India to act as Banker to the Issue
E.	Application form & Instructions
F.	Interest Payment Schedule

## I. DEFINITIONS/ABBREVIATIONS

Articles	Articles of Association of the Company
AY	Assessment Year
Board/ Board of Directors	The Board of Directors of NEEPCO Ltd.
Bonds	10.20% p.a. payable semi annually Series XI <sup>th</sup> Secured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures of Rs.10,00,000/- each offered through private placement route
Bondholder/Debenture holder	The holder of the Bonds
Book Closure/ Record Date	The date of closure of register of Bonds for payment of interest and repayment of principal
BSE	Bombay Stock Exchange
CDSL	Central Depository Services (India) Ltd.
CMD	Chairman and Managing Director of NEEPCO
Depository(ies)	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act
Designated Stock Exchange	Bombay Stock Exchange Limited.
Deemed Date of Allotment	Date as specified in the summary term sheet
DER	Debt Equity Ratio
Disclosure Document	Disclosure Document dated----- for Private Placement of 10.20% p.a payable semi annually Series XI <sup>th</sup> Secured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures of Rs.10,00,000/- each for cash at par.
DP	Depository Participant
DRR	Debenture Redemption Reserve
FIs	Financial Institutions
Fiscal	Period of twelve months period ending March 31, of that particular year unless otherwise stated
FY	Financial Year
Government/GOI	Government of India
ICRA	ICRA Ltd.
ITSL/ Trustee	Axis Trustee Services Limited.
Issuer/ NEEPCO/ Corporation/Company	North Eastern Electric Power Corporation Limited
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Memorandum	Memorandum of Association of the Company
MF	Mutual Fund
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Rs. / INR	Indian Rupee

RTGS	Real Time Gross Settlement
Registrar	MCS Ltd. ("MCS")
RBI	The Reserve Bank of India
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	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
TDS	Tax Deducted at Source
The Companies Act/ the Act	The Companies Act, 1956 as amended from time to time
The Issue/ The Offer/ Private Placement	Private Placement of 10.20% p.a. payable semi annually Series XI <sup>th</sup> Secured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures of Rs.10,00,000/- each for cash at par.

## II. DISCLAIMER

### GENERAL DISCLAIMER

This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds to be issued by NEEPCO Ltd. (the "Issuer"/ the "NEEPCO"/ "the Company"). The document is for the exclusive use of the Institutions to whom it is delivered and it should not be circulated or distributed to third party(ies). 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 Bombay Stock Exchange of India Ltd. (hereinafter referred to as "BSE") for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the 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 ARRANGER**

In the light of SEBI circular no. SEBI/MRD/SE/AT/36/2003/30/09 dated September 30, 2003, SEBI circular no. SEBI/MRD/SE/AT/46/2003 dated December 22, 2003 and SEBI Notification no. LAD NRO/GN/2008/13/127878 dated June 06, 2008; it is advised that the NEEPCO has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Arranger in the assignment is confined to marketing and placement of the bonds on the basis of this Disclosure Document as prescribed by the NEEPCO. The Arranger has neither scrutinized/vetted nor have they done any due-diligence for verification of the contents of this Disclosure Document. The Arranger shall use this document for the purpose of soliciting subscription from the various investors in the bonds to be issued by the NEEPCO on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Arranger should not in any way be deemed or construed that the document has been prepared, cleared, approved, or vetted by the Arranger, 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 NEEPCO. 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.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

The private placement of Bonds is made in India to Companies, Corporate Bodies, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such Trust/ Society is authorized under constitution/ rules/ byelaws to hold bonds in a Company, Indian Mutual Funds registered with

SEBI, Indian Financial Institutions, Insurance Companies, Commercial Banks including Regional Rural Banks and Cooperative Banks, Provident, Pension, Gratuity, Superannuation Funds as defined under Indian laws. The Disclosure document does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Disclosure document comes is required to inform about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the courts **at Guwahati**. All information considered adequate and relevant about the Issuer 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.

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

Name of the Issuer	<b>North Eastern Electric Power Corporation Limited (NEEPCO)</b>
Registered Office	Brookland Compound, Lower New Colony, Shillong - 793 003, Meghalaya, India.
Telephone Number	0364 – 2226091 / 2505879 / 2506099
Fax Number	0364 – 2228542 / 2226749
Website	<a href="http://www.neepco.gov.in">www.neepco.gov.in</a>
E-mail	<a href="mailto:cranee@neepco.gov.in">cranee@neepco.gov.in</a>
Statutory Auditors	M/s Nundi & Associates, Chartered Accountants, Kolkata

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

The Management of the affairs of NEEPCO vests with the Chairman & Managing Director, its Full Time and Part Time Directors, details of which are as under:

Sl.	Name and Designation	Address
<b>FUNCTIONAL DIRECTORS :</b>		
1.	<b>Shri P. C. Pankaj, Chairman &amp; Managing Director</b>	<b>North Eastern Electric Power Corporation Ltd., Brookland Compound, Lower New Colony, Shillong- 793003, Meghalaya</b>
2.	<b>Shri A. G. West. Kharkongor, Director (Finance)</b>	<b>North Eastern Electric Power Corporation Ltd., Brookland Compound, Lower New Colony, Shillong- 793003, Meghalaya</b>
3.	<b>Shri I. P. Barooah, Director (Personnel)</b>	<b>North Eastern Electric Power Corporation Ltd., Brookland Compound, Lower New Colony, Shillong- 793003, Meghalaya</b>
4.	<b>Shri U. Moral, Director (Technical)</b>	<b>North Eastern Electric Power Corporation Ltd., Brookland Compound, Lower New Colony, Shillong- 793003, Meghalaya</b>
<b>GOVERNMENT OF INDIA NOMINEES :</b>		
5.	<b>Joint Secretary ( HYDRO) Ministry of Power, Government of India,</b>	<b>Shram Shakti Bhawan, Rafi Marg, New Delhi 110 001</b>
<b>NORTH EASTERN STATES' NOMINEES :</b>		
6.	<b>Shri B. K. Dev Varma, Principal Secretary (Power), Government of Meghalaya</b>	<b>Main Secretariat Building, Shillong - 793 001, Meghalaya</b>
7.	<b>Shri R. B. Thong,</b>	<b>New Secretariat, Kohima – 797 004,</b>

	<b>Commissioner &amp; Secretary (Power), Government of Nagaland</b>	<b>Nagaland</b>
<b>8.</b>	<b>Shri Sumeet Jerath, Principal Secretary (Power), Government of Assam</b>	<b>Assam Secretariat, Dispur, Guwahati-781 006, Assam</b>
<b>9.</b>	<b>Shri T. P. Khound, Principal Adviser, Government of Mizoram</b>	<b>Mizoram House, Vasant Vihar, New Delhi 110 057</b>

Note: Nominations from the State Governments of Arunachal Pradesh, Tripura and Manipur are yet to be received

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

The North Eastern Electric Power Corporation Ltd. (NEEPCO Ltd.) was incorporated on 2<sup>nd</sup> April, 1976 under the Companies Act, 1956 with an Authorised Capital of Rs.75 crores. NEEPCO is a Schedule "A" Government of India Enterprise under the Ministry of Power. Its primary goal is the integrated and efficient development of the Power Sector in the Region by planning, investigating and preparing preliminary feasibility and definite project reports followed by the actual construction, operation and maintenance of power stations and projects.

Since NEEPCO has been incorporated to operate primarily in the North Eastern Region, it would be pertinent to mention the immense potential of the region for generation of power. Additionally, the Region also has abundant resource of coal, oil and gas for thermal power generation. In spite of such huge potential the Region ranks lowest in the country in terms of per capita energy consumption. This has been mainly due to inhospitable climatic conditions, remote location and inaccessibility of geographical locations.

Hydro-electric Power: In terms of hydro power, the North Eastern Region has the potential of about 58971 MW, i.e. almost 40% of the country's total hydro potential. Of this huge hydro potential, less than 2% (1116 MW) has so far been harnessed as on 31.03.2010 and the remaining 98% is yet to be exploited.

Natural Gas: 151.68 billion cubic feet which is capable of generating 7500 mw for 10 years.

Coal: 864.78 Million tonnes against 186 Billion tones of reserves in the country. With the reserves in the N.E Region, approximately 240 MW/day can be generated for a period of 100 years.

However with continual improvement of infrastructure and communication facilities, the North East region stands to become the Power House of India by utilising its surplus power potential especially in the hydro sector

### **MISSION STATEMENT**

- To harness the vast hydro & thermal power potential of the region.
- To produce pollution free and inexhaustible power through planned development of power generation projects.
- To play a significant role in the integration and development of hydroelectric and thermal power in the Central Sector covering all aspects such as investigation, planning, designs, construction, operation and maintenance of hydroelectric and thermal projects which in turn would effectively promote the development of the nation as a whole.

### **CERTIFICATIONS RECEIVED**



- ✓ ISO 9001-2000 Quality Management System
- ✓ ISO 14001-2004 Environmental Safeguards
- ✓ OHSAS 18001-1999 Occupational Health and Safety Standards

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Since its inception NEEPCO has always given top priority towards all round development of the people residing in and around its operational areas. As a responsible corporate citizen, NEEPCO has undertaken various community development activities particularly in the field of education, health, infrastructure development and other community needs. The Corporation is committed to discharge larger responsibilities towards the society in future.

### **NEEPCO'S CSR MISSION**

- ☞ To execute and operate projects in a cost effective, environment friendly and socio-economically responsive manner with thrust on energy conservation.
- ☞ To be a responsible corporate entity for nurturing human values with concern for society.
- ☞ To contribute towards community development and help achieve a high level of human development in the field of education and health in particular as human development contributes to welfare by enhancing 'capabilities' of people thereby increasing their productivity, income and general wellbeing.

### **PRODUCTS/SERVICES**

NEEPCO's generates and supplies power primarily to the seven states of the North Eastern Region. The beneficiaries of NEEPCO are:

- ✎ Assam Power Distribution Company Ltd.
- ✎ Meghalaya Energy Corporation Ltd.
- ✎ Tripura State Electricity Corporation Ltd.
- ✎ Department of Power, Govt. of Arunachal Pradesh
- ✎ Electricity Department, Govt. of Manipur
- ✎ Power & Electricity Department, Govt. of Mizoram
- ✎ Department of Power, Govt. of Nagaland

### **SUPPLY OF POWER**

NEEPCO's generating stations feed power at their respective bus-bar into the Regional Grid. Power is transmitted to the Bulk Power Consumers through transmission systems of the Powergrid Corporation of India Ltd. (PGCIL) as well as the respective State Transmission Utilities (STU). Generation and transmission of power in the region is regulated by the North Eastern Regional Power Commission and the North Eastern Regional Load Despatch Centre which are the designated apex bodies for integrated operation and management of the Regional Power System (Regional Grid). Tariff for power from the various stations are fixed as per the Availability Based Tariff (ABT) by the Central Electricity Regulatory Authority (CERC). The ABT regime came into force in the North Eastern Region with effect from 01.11.2003. Presently, NEEPCO has the following generating power stations:

<b>Sl.</b>	<b>Name of the Power Station</b>	<b>Installed Capacity</b>	<b>State</b>
1	Khandong Power Station	50 MW	Assam
2	Kopili Power Station	200 MW	Assam
3	Kopili Hydro Electric Project – Stage II	25 MW	Assam

4	Doyang Hydro Electric Project	75 MW	Nagaland
5	Ranganadi Hydro Electric Project	405 MW	Arunachal Pradesh
<b>Sub-total (Hydro)</b>		<b>755 MW</b>	
6	Assam Gas Based Power Project	291 MW	Assam
7	Agartala Gas Based Power Project	84 MW	Tripura
<b>Sub-total (Thermal)</b>		<b>375 MW</b>	
<b>Grand Total</b>		<b>1130 MW</b>	

### BRIEF PROFILES OF THE GENERATING STATIONS

1. Khandong Power Station & 2. Kopili Power Station: They comprise the original Kopili Hydro Electric Project (100 MW) located on the River Kopili in the North Cachar Hills District of Assam which was the maiden venture of NEEPCO when it came into existence in 1976. The first stage of Kopili Hydro Electric Plant has two dam and dyke systems for creating two reservoirs, one on the Kopili River and the other on the Umrong stream, a tributary of the Kopili. Water from the Kopili reservoir is utilized in the Khandong power station through a 2852 metre long tunnel to generate 50 MW (2 X 25 MW) of power. The tail water from this powerhouse is led to the Umrong reservoir. The water from Umrong reservoir is taken through a 5473 metre long tunnel to the Kopili power station to generate 200 MW (4 X 50 MW) of power. Subsequently, the Stage I Extension (100 MW) of the project envisaged setting up two additional 50 MW units at Kopili Power Station, provisions for which were already kept during the first stage development of the project. The Units III and IV under this extension scheme were commissioned in March, 1997 and June, 1997 respectively. The total installed capacity of the Kopili Power Station thus went up to 200 MW and that of the project as whole to 250 MW. The raising of the Umrong reservoir by 7.6 m was taken up to meet the demand for more water for two additional 50 MW units of first stage extension.

3. Kopili Hydro Electric Project - Stage II: The second stage of the Kopili Hydro Electric Project involved construction of a powerhouse to generate additional 25 MW of power by utilizing water from the Kopili reservoir through a 480 m long water conductor system, provision of which was kept as a by-pass conduit from the surge shaft in the Khandong tunnel. The water from the second stage powerhouse goes to the Umrong reservoir for utilization in the Kopili power station

4. Doyang Hydro Electric Project: Situated on the River Doyang, a tributary of the River Brahmaputra, this Project with a capacity of 3 X 25 MW and an estimated annual generation of 227 Million Units was commissioned on the 2nd week of July'2000. The Project is located in Wokha District of Nagaland. It consists of three units of 25 MW each and has a Design Energy of 227 MU. The Dam is of Rock Fill type with a height of 87.50 m and length of 462 m. The steel lined HRT has double bifurcation, 5.92m in diameter and 427.86 m long and the Design Head is 67.0 m. The Evacuation System comprises a 132 kV D/C Doyang-Dimapur lines of PGCIL and a 132 kV S/C Doyang-Kohima line and 132 KV S/C Doyang-Mokochung line of Govt. of Nagaland.

5. Ranganadi Hydro Electric Project: This run-of-the-river Project is located in the Lower Subansiri District of the State of Arunachal Pradesh in the Ranganadi basin and the adjoining Dikrong basin. It consists of three units of 135 MW each and has a Design Energy of 1509.66 MU. The Dam is of Concrete Gravity type with a height of 68 m and length of 340 m. The HR Tunnel has a diameter of 6.8 m and is 10.13 km long while the dimensions of the Penstock are 5.8 m dia x 778 m long; 4.75 m dia x 137 m long; 3.35 m dia x 147 m long. The Design Head is 304.0 m. The Evacuation System comprises 400 kV Ranganadi-Balipara D/C Lines of PGCIL and 132 kV Ranganadi-Nirjuli S/C Line, 132 kV Ranganadi-Along S/C Line of the Govt. of Arunachal Pradesh.

6. Assam Gas Based Power Project: This Combined Cycle Gas Turbine Project is located in the Dibrugarh District of Assam. It has been partly financed by a loan of 37.272 Billion Yen under

bilateral credit arrangement with the Overseas Economic Cooperation Fund of Japan. It utilizes natural gas available in the oil fields of Upper Assam. The power station comprises of 6 Gas Turbines with associated Waste Heat Recovery Boilers and 3 Steam Turbines, arranged in a modular fashion. A module comprises of 2 Gas Turbines with associated Waste Heat Recovery Boilers and 1 steam turbine.

7. Agartala Gas Based Power Project: This project is located in the West Tripura District of the state of Tripura near the capital town of Agartala .The project runs on an Open Cycle Mode and consists of 4 Gas Turbines of 21 MW each of European Gas Turbine make operating on natural gas obtained from the gas fields of M/S ONGC. The Project has been financed through the budgetary support of the Government of India and partially through external commercial borrowings from the Deutsche Bank, Germany. The Project has been completed at a cost of Rs 322.55 Crores with a 50:50 debt equity ratio. The Project was completed in 1997-98.

#### **OFFICES**

NEEPCO's registered office is in the picturesque hill city of Shillong. It also has liaison offices in New Delhi, Kolkata, Guwahati and Itanagar.

#### **VI. BRIEF HISTORY OF ISSUER SINCE INCORPORATION, DETAILS OF ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS**

The North Eastern Electric Power Corporation Ltd. (NEEPCO Ltd.) was incorporated on 2<sup>nd</sup> April, 1976 under the Companies Act, 1956 with an Authorised Capital of Rs.75 crores. NEEPCO is a Schedule "A" Government of India Enterprise under the Ministry of Power. Its primary goal is the integrated and efficient development of the Power Sector in the Region by planning, investigating and preparing preliminary feasibility and definite project reports followed by the actual construction, operation and maintenance of power stations and projects.

#### **CAPITAL STRUCTURE OF NEEPCO**

NEEPCO is a fully owned Government of India Enterprise and its entire share capital is held by the Central Government. Presently, its authorized share capital is Rs.5000 crore. The paid up share capital of the Corporation (including Share Capital pending allotment as on 31<sup>st</sup> March, 2011) was Rs.3277.76 crores.

The investment by the Government of India in the Corporation has steadily risen since its incorporation with the infusion of additional Equity for every new project undertaken by the NEEPCO. Thus, the Authorized Capital of NEEPCO had to be gradually increased from the initial amount of Rs.75.00 crores to the present Rs.5000.00 crores.

<b>W. e. f. from (Year)</b>	<b>Amount (Rs. in crore)</b>
1975-76	75.00
1983-84	100.00
1985-86	200.00
1989-90	500.00
1995-96	1500.00
1998-99	2500.00
2003-04	3500.00
2009-10	5000.00

<b>CAPITAL STRUCTURE (as on 31.03.2011)</b>	<b>Amount (Rs. in lakhs)</b>
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AUTHORISED CAPITAL 5,00,00,00,000 (Previous year 5,00,00,00,000 ) equity shares of Rs.10/- each	<b>500000.00</b>
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 3,23,19,30,400 (Previous year 3,23,19,30,400 ) equity shares of Rs.10/- each	<b>323193.04</b>
Share application money pending allotment	<b>4583.00</b>
<b>TOTAL PAID-UP CAPITAL</b>	<b>327776.04</b>

### FINANCIAL HIGHLIGHTS OF NEEPCO

*(Rs. in Crores)*

<b>As on 31<sup>st</sup> March</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Sales	827.75	860.31	857.83	1022.13	1198.28
Total Income	945.26	962.68	971.89	1114.35	1279.03
Cost of Sales	459.99	476.42	494.94	540.42	729.32
Depreciation	150.21	149.69	149.90	209.89	189.45
Deferred Revenue Exp. written off	2.27	2.06	2.06	2.04	2.00
Interest & Financial Charges	128.85	112.48	88.53	25.79	49.87
Profit for the Year	203.94	222.03	236.46	336.21	308.39
Prior period adjustment (Net)	(32.32)	(60.22)	(90.42)	(1.20)	(9.17)
Profit before Tax	236.26	282.25	326.88	337.41	317.56
Provision for Tax	17.63	23.93	29.91	48.03	53.99
Profit after Tax	218.64	258.31	296.97	289.38	263.57
Share Capital	2659.32	3183.94	3197.76	3232.76	3277.76
Free Reserve & Surplus	503.89	682.54	866.05	1091.32	1293.77
Net Worth	3284.63	3974.97	4182.17	4406.68	4619.14
Gross Block	4616.03	4643.30	4662.51	4732.43	4771.44
Debt Equity Ratio	0.49:1	0.24:1	0.20:1	0.14:1	0.19:1
Current Ratio	1.35	1.55	1.68	1.52	2.02
EPS (Rs. per share)	0.93	0.95	0.93	0.90	0.83

### DETAILS OF BORROWING AS ON 31.03.2011

*(Rs. in lakhs)*

	AS ON 31.03.2011
<p>(A) SECURED BORROWINGS</p> <p>I. BONDS</p> <p>PRIVATE PLACEMENT:</p> <p>*SEVENTH ISSUE</p> <p>1st Tranche 9.00% ( Tax Free )Secured Non-Convertible, Redeemable bonds of Rs. 10,00,000 each, redeemable at par on 5th March,2012 with a put &amp; call option on 5th March 2009</p> <p>2nd Tranche 9.85% ( Tax Free) ,Secured Non-Convertible, Redeemable bonds of Rs.5,00,000 each, Redeemable at par on 30th March,2012 and 1st May,2012.With a put &amp; call option on 30th March,2009 and 1st May,2009</p> <p><u>*NINTH ISSUE</u> 9.75% (Taxable) Secured Non-Convertible, Redeemable bonds of Rs.10,00,000 each Redeemable at par on 31st March,2013 with a put &amp; call option on 31st March,2008</p> <p><u>*10TH ISSUE</u> 6.25%(Tax free ),Secured Non-Convertible Redeemable bonds of Rs.10,00,000 each, Redeemable at par on 16th February,2011 with a put &amp; call option on 16th February, 2009</p> <p>* NOTE : Secured by mortgage of the landed property in the state of Gujarat alongwith fixed assets of Doyang H.E Project Viz. Dam, Water Conductor System and power house &amp; penstock</p>	<p>1000.00</p> <p><u>1830.00</u></p> <p>2830.00</p> <p>5400.00</p> <p>8230.00</p>
<p><u>LOAN FUNDS</u></p> <p>II Loans from Power Finance Corporation Ltd. [Secured by charge on all movable assets of the corporation(other than movable and immovable assets of the Assam Gas Based Power Plant) and excluding current assets of the Corporation] [secured by first charge on all movable &amp; immovable assets created/to be created in respect of Kameng Hydro Electric Project, Arunachal Pradesh , (Save &amp; except book stocks &amp; book debts)]</p> <p>III Loans from Life Insurance Corporation of India  (Secured by the assets of Kopili HEP: Khandong Dam, Umrong Dam, Power House-Khandong, Khandong Penstock, Dykes - Khandong, Tunnel-Khandong, Dyke-Umrong, Power House Khandong-Electical Works (P&amp;M)-Khandong, Tunnel Umrong, Steel Liner and Penstock-KoPH. Also secured by the assets of Doyang HEP:Residential &amp; Non - Residential Buildings (permanent), Road and Bridges and Diversion Tunnel)</p> <p>IV Loan from KfW (Guaranteed by the Govt. of India)</p>	<p>66423.16</p> <p>3,190.00</p> <p>7599.63</p>
<b>TOTAL Secured Loans (A)</b>	<b><u>85442.79</u></b>
(B) UNSECURED LOANS Loan from Govt. of India	1530.50
<b>TOTAL Unsecured Loans (B)</b>	<b>1530.50</b>
<b>GRAND TOTAL (A + B)</b>	<b>86973.29</b>

## ON GOING PROJECTS

NEEPCO is presently constructing four more projects which will add another 871 MW to its installed capacity. All the on-going projects have been allotted to NEEPCO by the Government of India in agreement with the respective State Governments. A summary of these projects is as follows:

Sl.	Name of the Project	Installed Capacity	State	Estimated Cost (Rs. in crore)
1	Tuirial Hydro Electric Project	60 MW	Mizoram	913.63
2	Kameng Hydro Electric Project	600 MW	Arunachal Pradesh	2496.90
3	Tripura Gas Based Project	101 MW	Tripura	623.44
4	Pare Hydro Electric Project	110 MW	Arunachal Pradesh	573.99
5	Agartala Gas Turbine Project - Extension	46 MW	Tripura	296.87
<b>Total</b>		<b>917 MW</b>		<b>4904.84</b>

## FINANCING PLAN

As per the guidelines of the Ministry of Power, the financing pattern for all the on-going projects is on a Debt-Equity Ratio of 70 : 30 except in the case of the Tuirial HEP which has been approved with a Debt-Equity Ratio of 85 : 15. The financing plan for NEEPCO's on-going projects is given below:

(` in crore)

Sl.	Name of the Project	Equity		Debt	
		Amount	Source	Amount	Source
1	Tuirial Hydro Electric Project	137.05	MoP, GOI	184.63 291.96 300.00	Financial Institution GOI Subordinated loan DONER Grant
2	Kameng Hydro Electric Project	749.07	MoP, GOI	11.00 1736.83	Bonds PFC
3	Tripura Gas Based Project	187.03	Internal Resources	100.00 336.41	Bonds Market Borrowing/ECB
4	Pare Hydro Electric Project	172.20	MoP, GOI	401.79	KfW, Germany
5	Agartala Gas Turbine Project - Extension	89.60	Internal Resources	207.81	Market Borrowing

Note: GOI - Government of India

## VII. SUMMARY TERM SHEET

ISSUER	North Eastern Electric Power Corporation Limited
INSTRUMENT	Secured, Redeemable Non Convertible Taxable Bonds in the nature of Debentures (XI <sup>th</sup> Issue)
ISSUE SIZE	Rs.40 crores
ISSUANCE FORM	Dematerialized Form
CREDIT RATING	" [ICRA] AA-"
SECURITY	Bonds together with interest costs and all other monies expenses shall be secured by first pari passu charge on Fixed Assets of the company with minimum asset cover of 1.25 times at all times during the tenure of Bonds
FACE VALUE	Rs.10,00,000.00 (Rupees ten lakhs per bond )
MINIMUM SUBSCRIPTION	Application should be for minimum of five bonds and thereafter in multiples of one Bond
TENURE	10 Years
COUPON RATE	10.20% p.a. payable semi annually
INTEREST PAYMENT	Semi annual
REDEMPTION	At par at the end of 10 <sup>th</sup> year from the deemed date of allotment.
PUT & CALL OPTION	At par at the end of 7 <sup>th</sup> year from deemed date of allotment
INTEREST ON APPLICATION MONEY	At the coupon rate from the date of realization of Cheque(s)/Demand Draft(s) RTGS up to one day prior to the deemed date of allotment (Subject to deduction of Tax At Source, as applicable)
SETTLEMENT	Payment of Interest and repayment of Principal shall be made by way of cheque(s)/Interest/Redemption warrant(s)/demand draft(s)/credit through RTGS/ECS mechanism
LISTING	Proposed to be listed on wholesale Debt Market (WDM) segment of BSE
DEPOSITORY	National Securities Depository Limited and Central Depository Services (India) Limited
DEBENTURE TRUSTEE	Axis Trustee Services Limited
REGISTRAR & TRANSFER AGENT	MCS Limited

### Issue Schedule:

Issue Opening date	12-Dec-11
Issue Closing date	15-Dec-11
Deemed Date of Allotment	15-Dec-11
Record Date	Record date for payment of interest & principal will be 15 calendar days prior to the date of payment.

**VIII. TERMS OF OFFER (DETAILS OF DEBT SECURITIES PROPOSED TO BE ISSUED, MODE OF ISSUANCE, ISSUE SIZE, UTILIZATION OF ISSUE PROCEEDS, STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED, REDEMPTION AMOUNT, PERIOD OF MATURITY, FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTORS)**

**PRIVATE PLACEMENT OF SECURED, REDEEMABLE NON CONVERTIBLE TAXABLE BONDS IN NATURE OF DEBENTURES (XI<sup>th</sup> ISSUE) OF THE FACE VALUE OF RS.10,00,000/- EACH AGGREGATING RS.40.00 CRORES**

**AUTHORITY FOR THE ISSUE**

The issue is being made in pursuance of the Board Resolution dated 29<sup>th</sup> November, 2011.

**ISSUE SIZE**

NEEPCO Ltd. (the 'Issuer' or "NEEPCO Ltd" or "the Company" or "the Corporation) proposes to raise Rs.40 crore, through issue of Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds in the nature of Debentures, on Private Placement basis of the face value of Rs.10,00,000/- each by way of private placement ('the Issue').

**REGISTRATION AND GOVERNMENT APPROVALS**

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

**OBJECTS OF THE ISSUE**

The funds will be utilized for financing the construction of on-going power projects of the Company.

**UTILISATION OF ISSUE PROCEEDS**

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

**MINIMUM SUBSCRIPTION**

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

**NATURE OF THE BOND**

The bonds are Secured, Redeemable, Non-Convertible Taxable and in the nature of transferable Debentures.



## SECURITY

The Bonds together with interest costs and all other monies expenses and amount payable in respect of bonds will be fully secured by first pari-passu charge on Fixed Assets of the company with minimum asset cover of 1.25 times at all times during the tenure of Bonds in favour of bond trustee

The said security shall be created in favour of the Trustees within 3 months from the Deemed Date of Allotment or such extended period as may be permitted by the relevant authority(ies). The Security will be created by the Company, as aforesaid, in favour of the Trustee on such of the assets for which the Company obtains, after all due diligence and efforts, the requisite consents and permissions applicable under law or in accordance with the contractual conditions of holding of such assets for creating the above-mentioned charge. The creation of such security shall be sufficient compliance of the Company's obligation to create security.

### TERMS OF PAYMENT

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

<b>Issue Price of the Bond</b>	<b>Minimum Application for</b>	<b>Amount Payable on Application per Bond</b>
Rs.10 lakhs	5 Bond and in multiples of 1 Bond thereafter	Full Issue Price i.e. Rs.10 lakhs

### PAY-IN-DATE & DEEMED DATE OF ALLOTMENT

Pay-in Date shall be the date on which application money has to be paid in favour of "**NEEPCO PSU Bond Account**" by a Cheque/Demand draft. The funds can also be remitted through RTGS. Details of the Account of the Company are given in the Application form of this document. The Company reserves the right to shift the Pay-in Date and/or the Deemed Date of Allotment to any other date or allot the Bonds on multiple dates without giving any reason or any prior notice. The Company may at its sole discretion accept the subscription amount after the Pay-in Date. All benefits available to the investors shall be from the Deemed Date of Allotment and actual allotment may occur on a date other than the Deemed Date of Allotment.

### LETTER(S) OF ALLOTMENT/ BOND CERTIFICATE(S)/ REFUND ORDER(S) ISSUE OF 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 15 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)

The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1997, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1997, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in DEMAT form only.

#### MODE OF TRANSFER OF BONDS

**Transfer of these dematerialized bonds should be in accordance with the rules/procedures as prescribed by NSDL/CDSL/Depository participant of the transferor/transferee and all other applicable laws and rules notified in respect thereof.**

#### PUT/ CALL OPTION

**Bondholders shall have the right to “Put” the Bonds i.e. get them redeemed at par at the end of the 7<sup>th</sup> anniversary from the Deemed Date of Allotment which shall be the Option Date. Notice for exercising the option shall be submitted in writing by the bondholder to NEEPCO at least 30 days before the Option Date. The Record Date for exercise of such option shall be 15 days prior to the Option Date.**

**NEEPCO shall also have the right to “Call” the whole or any part of the Bond, i.e. redeem them at par at the end of 7<sup>th</sup> year from the Deemed Date of Allotment which shall be the Option Date. Notice for exercising the option shall be submitted in writing by NEEPCO to the bondholder at least 30 days before the Option Date. The Record Date for exercise of such option shall be 15 days prior to the Option Date**

#### **DEPOSITORY ARRANGEMENTS**

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 dematerialized form. As per the provisions of Depositories Act, 1996, the Bonds issued by The Company can be held in a dematerialized 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 18<sup>th</sup> June, 2002 between NEEPCO, NSDL and MCS Limited
- Tripartite Agreement dated 4<sup>th</sup> April, 2002 between NEEPCO, CDSL and MCS Limited

#### **PROCEDURE FOR APPLYING FOR DEMAT FACILITY**

9. 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.
10. 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'.
11. Bonds allotted to an applicant will be credited directly to the applicant's respective Beneficiary Account(s) with the DP.
12. 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.
13. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrars to the Issue.
14. If incomplete/incorrect details are given under the heading 'Details for Issue of Bonds in Electronic/ Dematerialised 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.
15. 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-à-vis those with their DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.

16. 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. Bombay Stock Exchange Limited., where the Bonds of the Company are proposed to be listed has connectivity with NSDL and CDSL.

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**.

#### **BOND TRUSTEES**

The Company has appointed *Axis Trustee Services Limited* as trustees for the Bondholders. The Company will enter into a Trusteeship Agreement/Trust Deed, inter-alia, specifying the powers, authorities and obligations of NEEPCO and the Trustees in respect of these Bonds. All remedies to the Bondholder(s) for the amounts due on the Bonds will be vested with the Trustees on behalf of the Bondholder(s).

The holders of the Bonds shall, without any further act or deed, be deemed to have irrevocably given their consent to and authorized the Trustees to do, inter-alia, acts and deeds and things necessary in respect of or relating to the security to be created for securing the bonds being offered in terms of this Information Memorandum of Private Placement. All the rights and remedies under the Bond Trust Deed and/ or other security documents shall vest in and be exercised by the Trustees without having the same referred to the Bondholders.

#### **FICTITIOUS APPLICATIONS**

Any person who:-

- a) Makes, in a fictitious name, an application to a body corporate for acquiring or subscribing to, the bonds, or
- b) Otherwise induces a body corporate to allot, or register any transfer of, bonds therein to them, or any other person in a fictitious name, shall be liable for legal consequences of such action.

#### **MARKET LOT**

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

#### **INTEREST ON APPLICATION MONEY**

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

Such interest shall be paid from and including the date of realisation of cheque(s)/demand draft(s)/RTGS/ECS up to but excluding the Deemed Date of Allotment. Such interest would be paid on all valid application. The interest on application money will be computed on the basis of actual number of days elapsed in a year. For this purpose a year would comprise a period of 365 days. In the leap year the month of February shall be considered as of 29 days and the year would be of 366 days.

Such interest would be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the refund orders.

The interest on application money will be remitted through RTGS/ECS or interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the NEEPCO **within 10 days** from the Deemed Date of Allotment and the relative interest warrant(s) along with the Refund Order(s), as the case may be, will be dispatched by registered post/courier/speed post to the sole/ first applicant, at the sole risk of the applicant.

### **INTEREST ON BONDS**

The Bonds shall carry interest at the coupon rates as per term sheet (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by NEEPCO) on the outstanding principal amount of Bonds till final redemption. Interest will be paid semi annually on **15<sup>th</sup> January** and **15<sup>th</sup> July** each year throughout the tenure of the Bonds till final redemption.

The first interest period shall be defined as actual number of days falling between the Deemed Date of Allotment to **January 15, 2012** including the first date but excluding the last date. The first interest payment would be made on January 15, 2012. This will be calculated by multiplying the nominal amount with the interest rate on an Actual/365 days basis. The Second and subsequent interest period is defined as the actual number of days between January 15 & July 15 and July 15 & Jan 15 including the first date but excluding the last date. This will be calculated by multiplying the nominal amount by the Interest Rate with the actual number of days divided by 365/366 days, as the case may be. The last Interest Payment would be made on the final redemption date, along with the redemption of principal amount. The last interest payment shall again be calculated on actual number of days i.e. from interest payment date to a day immediately preceding the redemption. This shall be calculated by multiplying the nominal amount with the interest rate with the actual number of days divided by 365/366 days, as the case may be. (Interest payment schedule is attached at Annexure.)

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

Interest on Bonds will cease from the date of final redemption in all events. If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in the city of New Delhi, then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period

### **COMPUTATION OF INTEREST**

The Bonds will carry interest rates as per the term sheet from the Deemed Date of Allotment. The interest will be paid from the Deemed Date of Allotment (subject to deduction of tax at source at the rates prevailing from time to time under the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof) as per term sheet. The Interest shall be computed on "**Actual / Actual**" day count basis.

### **RECORD DATE**

The Record Date for all interest payments and repayment of the bond value upon redemption will be the day immediately pre-ceding the period of **15 days** prior to the interest payment or redemption date, as the case may be. Such payment will be made to the bondholder as appearing in the records of the RTA as on the said date. In case the Record Date/payment date falls on a Sunday or a Bank Holiday, the next working day following the Sunday or Bank Holiday will be considered as the Record Date/payment date.

### **DEDUCTION OF TAX AT SOURCE**

Tax applicable under the Income-Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/ document, under section 193/197/197A of the Income Tax Act, 1961, if any, must be lodged at the office of the Issuer, at least fifteen (15) days prior to the interest payment date. The applicants must submit tax exemption certificate, if applicable, in respect of the interest on application money, if any, along with the application form as required under the Income Tax Act, 1961. In case of tax deducted at source, the Company will send the TDS certificate to the investors. Therefore, to ensure non-deduction/lower deduction of tax at source from interest on application money, the investors should submit Form 15H/15AA, authority letter from Assessing Officer for non-deduction of tax as may be applicable, with the Application Form, on or before the closure of the Issue.

Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investor is advised to consult his tax advisor before investing in the Bonds to be issued by NEEPCO.

### **REDEMPTION**

The face value of the Bond will be redeemed at the end of 10 years from the Deemed Date of Allotment.

The Bond will not carry any obligation, for interest or otherwise, after the date of redemption. The Bonds held in the dematerialised form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Bondholders whose name appear in the Register of Bondholders on the record date. Such payment will be a legal discharge of the liability of the Company towards the Bondholders.

In case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business), then the payment due shall be made on the next Business Day but without liability for making payment of interest for the intervening period.

### **PAYMENT ON REDEMPTION**

Payment on redemption will be made by cheque(s)/warrants(s) /demand draft /credit through ECS/RTGS system in the name of the Bondholder(s) whose name appears on the List of Beneficial Owners given by Depository to NEEPCO as on the Record Date. The Issuer's liability to Bondholder(s) towards all their rights including payment of interest or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further, the Issuer will not be liable to pay interest, income or compensation of any kind from the date of such redemption of the Bonds.

The Bonds shall be taken as discharged on payment of the redemption amount by the Company. 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 liability of the Company shall stand discharged on posting of redemption warrants by Registered Post and/or remitting the redemption proceeds through ECS/EFT/RTGS to the above said Beneficiaries. No claim, damages or penal interest in respect of delayed payment, etc. shall lie upon the Company in the event of non-receipt of the same by the addressee Bondholder.

#### **RIGHTS OF BONDHOLDERS**

Bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The Bond(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the General Meeting of the Company. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint Holders, to the one whose name stands first. Besides the above, the Bonds shall be subject to the provisions of the Companies Act, 1956, the Articles of Association of NEEPCO, the terms of this bond issue and the other terms and conditions as may be incorporated in the Trust deed and other documents that may be executed in respect of these Bonds.

#### **EFFECT OF HOLIDAYS**

Should any of the dates defined anywhere in the present Information Memorandum, except the Deemed Date of Allotment, fall on a Sunday or a Holiday, the next working day shall be considered as the effective date. In case the date involves a payment, then the next working day on which scheduled commercial banks in Shillong are open for business shall be considered as the effective date.

#### **LIST OF BENEFICIAL OWNERS /REGISTER OF BENEFICIAL OWNERS**

The Company shall request the RTA 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 RTA 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

#### **SUCCESSION**

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Company shall recognize the executor or administrator of the deceased Bondholder, or the holder of succession certificate or other legal representative as having title to the Bond(s). The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Company may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

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

- a. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
- b. Proof that the NRI is an Indian National or is of Indian origin. Such holding by the NRI will be on a non-repatriation basis

## **WHO CAN APPLY**

- Companies, Bodies Corporate and Societies registered under the applicable laws and authorized to invest in Bonds
- Commercial Banks and Financial Institution
- Regional rural banks
- Co-operative Banks
- Provident Funds, Superannuation funds and Gratuity funds and other Trusts which are authorized to Invest in bonds
- Statutory Corporation / Financial Institutions
- Mutual funds
- Insurance Companies
- Scientific and / or Industrial Research Organisations, which are authorized to invest in bonds.
- Non Banking Finance Companies and Residuary Non-Banking Finance Companies.
- Any other investor authorized to invest in these bonds, subject to confirmation from the issuer

However, out of the aforesaid class of investors eligible to invest, this Memorandum is intended solely for the use of the person to whom it has been sent by NEEPCO for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other person(s) other than professional advisors of the prospective investor receiving this Memorandum from NEEPCO.

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

The applications must be accompanied by certified true copies of (1) Memorandum and Articles of Association/ Constitution/ Bye-laws (2) Resolution authorizing investment and containing operating instructions (3) Specimen signatures of authorized signatories (4) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable

## **APPLICATION UNDER POWER OF ATTORNEY OR BY LIMITED COMPANIES**

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

## **APPLICATION BY MUTUAL FUNDS**

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian mutual fund registered with SEBI. The applications made by the Asset Management Companies (AMC) or custodians of a Mutual Fund shall clearly indicate the name of

the concerned scheme for which application is being made. The application must be accompanied with certified true copies of:

1. SEBI registration certificate.
2. Resolution authorizing investment & containing operating instructions.
3. Specimen signatures of authorised signatories

### **MODE OF SUBSCRIPTION**

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

Copies of Disclosure Document and Application form may be obtained from the Registered Office of NEEPCO Ltd. Applications for the Bonds must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications should be for a minimum of Five Bonds and in multiples of One Bond thereafter. All cheques should be in favour of “**NEEPCO PSU Bond Account**” and crossed “**Account Payee Only**”. Alternatively, investors can remit their application money by way of electronic transfer of funds through RTGS mechanism for credit in the account of “**NEEPCO PSU Bond Account**”. For details, please refer to the “Instructions” detailed in the “Application Form.”

### **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.

### **RIGHT TO PURCHASE / REISSUE**

Company may purchase the bonds in the open market through market makers or otherwise. Company shall retain the right or power to cancel, hold, resell or reissue these bonds or reissue other bonds in lieu thereof.

### **RIGHT TO ACCEPT OR REJECT APPLICATIONS**

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

Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

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



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

#### **PAN/GIR NUMBER**

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

#### **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.

#### **NOMINATION FACILITY**

As per Section 109(A) of the Companies Act, 1956, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Bonds shall vest in the event of his death. Non individuals including holders of Power of Attorney cannot nominate.

#### **MODIFICATION OF RIGHTS**

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

#### **FUTURE BORROWINGS**

Company reserves the right to make further issues of Bonds or raise loans from any source it deems fit on the security or otherwise of its assets without the consent of the Trustees and without any approval from the bondholders of these present bonds.

#### **BOND/ DEBENTURE REDEMPTION RESERVE (DRR)**

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

#### **DECLARATION REGARDING NON-DEFAULT**

Company has never defaulted in payment of interest or principal redemption on any of the Bonds issued by it nor has it defaulted in case of non-allotment of bonds or payment of application money.

#### **NOTICES**

Any notice to the Bondholder required to be sent by Company shall be deemed to have been given if sent by registered post /courier to the holders appearing in the most recent records of the RTA.

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.

All communications from bondholders to NEEPCO shall be addressed to:

***The General Manager (Finance), Funds Section, North Eastern Electric Power Corporation Limited,  
Brookland Compound, Lower New Colony, Shillong 793 003.***

#### **TAX BENEFITS TO THE BONDHOLDERS OF THE COMPANY**

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

#### **DISPUTES & GOVERNING LAWS AND JURISDICTION**

The Bonds shall be construed to be governed in accordance with Indian laws and rules framed there under. Any dispute between NEEPCO and the bondholders will subject to the jurisdiction of the Guwahati High Court.

#### **COMPLIANCE OFFICER**

Ms. Cathleen R. Ranee  
Senior Manager (Finance), NEEPCO Limited  
Brookland Compound, Lower New Colony,  
Shillong - 793 003, Meghalaya, India  
Tel.: 0364-2506099  
Fax: 0364-2228542/ 2226749  
E-mail: [cranee@neepco.gov.in](mailto:cranee@neepco.gov.in)

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

## **IX. CREDIT RATING**

ICRA Limited (ICRA) has assigned a rating of “[ICRA] AA-” (Pronounced as ICRA double A minus) to the proposed Bonds vide their letter dated 29<sup>th</sup> November, 2011. The rated instrument carries very low credit risk. Please refer to the Annexure for copy of Rating letter.

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

Axis Trustee Services Limited has given its consent to the Company vide their letter dated 1<sup>st</sup> December, 2011 for being appointed as Bond Trustee for the Private Placement of Secured, Taxable, Redeemable, Non-Convertible Bonds to be issued during 2011-12.

Axis Trustee Services Ltd  
2<sup>nd</sup> Floor, Axis House  
Bombay Dyeing Mills Compound  
Pandurang Budhkar Marg  
Worli, Mumbai 400 025  
Tel No:022-24252525/43252525

NEEPCO and the Trustees shall enter into a Trustee Agreement specifying, inter alia, the powers, authorities and obligations of the Trustees and NEEPCO. By applying for the Bonds, the Bondholders shall without further action or deed, be deemed to have irrevocably given their consent to and authorised the Trustees or any of their agents or authorized officials to do, inter alia, all acts, deeds, matters and things in respect of or relating to the security to be created for securing the Bonds being offered in terms of this Document including the right to substitute or release any property charged in their favour and/or to create a charge on additional properties in their favour including the right of the Trustees to release, and/or substitute relevant title deeds in respect thereof. All the rights and remedies of the Bondholders shall vest in and shall be exercised by the Trustees without reference to the Bondholders. Any payment made by NEEPCO to the Trustees on behalf of the Bondholders shall discharge NEEPCO any liability to the Bondholders. No Bondholder shall be entitled to proceed directly against NEEPCO unless the Trustees, having become so bound to proceed, fail to do so.

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

The Secured Non-Convertible Redeemable Bonds (in the nature of Debentures) are proposed to be listed on the Wholesale Debt Market (WDM) Segment of the Bombay Stock Exchange of India Ltd. (“BSE”). The Company has obtained an in-principle approval from the BSE for listing of said Bonds on its Wholesale Debt Market (WDM) Segment. The Company shall make an application to the BSE 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 70 days** from the date of closure of the Issue. If such permission is not granted **within 70 days** from the date of closure of the Issue or where such permission is refused before the expiry of the 70 days 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 70 days 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 BSE, the Company hereby undertakes that:

- (a) It shall comply with conditions of listing of Bonds as may be specified in the Listing Agreement with BSE.

- (b) Ratings obtained by the Company shall be periodically reviewed by the credit rating agencies and any revision in the rating shall be promptly disclosed by the Company to BSE.
- (c) Any change in rating shall be promptly disseminated to the holder(s) of the Bonds in such manner as BSE may determine from time to time.
- (d) The Company, the Trustees and BSE shall disseminate all information and reports on Bonds including compliance reports filed by the Company and the Trustees regarding the Bonds to the holder(s) of Bonds and the general public by placing them on their websites.
- (e) Trustees shall disclose the information to the holder(s) of the Bonds and the general public by issuing a press release in any of the following events:
- (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 & BSE.

**X11. 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)**

**TOP HOLDERS OF EACH CLASS OR KIND OF SECURITIES**

**LOANS**

<b>Sl.</b>	<b>Source</b>	<b>Amount (Rs. in Crores)</b>
1	Power Finance Corporation Ltd.	748.49
2	Life Insurance Corporation Of India Ltd.	22.30
3	KfW, Germany	96.23

**TOP TEN BOND HOLDERS**

<b>Sl.</b>	<b>Name Of Bondholder</b>	<b>Amount (Rs. in Crores)</b>
1	United India Insurance Co. Ltd.	15.00
2	State Bank of Bikaner & Jaipur Pension, PF, Gratuity Dept.	15.00
3	LIC Account Barishtha Pension Bima Yogana	14.50
4	Life Insurance Corporation of India	10.00
5	NALCO Employees' PF Trust	7.20
6	Indian Overseas Bank	5.00
7	New India Assurance Co. Employees' Gratuity Fund	2.00
8	New India Assurance Co. Employees' Pension Fund	2.00
9	United India Insurance Co. Ltd. Employees' Provident Fund	1.00
10	United India Insurance Co. Ltd. Employees' Pension Fund	1.00
	United India Insurance Co. Ltd. Employees' Gratuity Fund	1.00

**TOP EQUITY HOLDERS**

Sl.	No. of Shares	Amount (Rs. in lakhs)	Originally in the name of	Remarks
1	100	0.01	The President of India	To be transferred to current Chairman & managing Director, NEEPCO Ltd. on receipt of instruction from MoP
2	100	0.01	Shri M. R. Ghosh, ex Director (Finance), NEEPCO Ltd.	To be transferred to current Director (Finance), NEEPCO Ltd. on receipt of instruction from MoP
3	100	0.01	Shri U. Moral, Director (Technical), NEEPCO Ltd.	
4	100	0.01	Shri I. P. Barooah, Director (Personnel), NEEPCO Ltd.	
5	100	0.01	Shri Sudhir Kumar Joint Secretary (H), Ministry of Power	
6	100	0.01	Shri Gurdial Singh, Member (HE), CEA	
7	100	0.01	Shri Sisir Das, Dy. Secretary (Finance) Ministry of Power	
8	3231929700	323192.97	The President of India	Equity issued against various projects
<b>TOTAL</b>	<b>3231930400</b>	<b>323193.04</b>		

#### DETAILS OF DEBT SECURITIES ISSUED IN THE PAST

NEEPCO has mobilized funds from through various Bond issues, most of which have already been redeemed as on date. The existing Bond issues of the Corporation are:

Sl.	Name of the Bond	Amount (Rs. in crore)	Date of Redemption
1	NEEPCO 9.00% Tax-free Secured Non Convertible Redeemable Bonds (1 <sup>st</sup> Tranche , 7 <sup>th</sup> Series)	10.00	5 <sup>th</sup> March, 2012
2	NEEPCO 9.85% Tax-free Secured Non Convertible Redeemable Bonds (2 <sup>nd</sup> Tranche , 7 <sup>th</sup> Series)	15.10	30 <sup>th</sup> March, 2012
3	NEEPCO 9.85% Tax-free Secured Non Convertible Redeemable Bonds (2 <sup>nd</sup> Tranche , 7 <sup>th</sup> Series)	3.20	1 <sup>st</sup> May, 2012
4	NEEPCO 9.75% Taxable Secured Non Convertible Redeemable Bonds (9 <sup>th</sup> Series)	54.00	31 <sup>st</sup> March, 2013
<b>Total</b>		<b>82.30</b>	

#### DEBT EQUITY RATIO PRIOR TO AND AFTER THE ISSUE OF THIS SECURITY:

Prior to the Issue	After the issue
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0.21	0.22
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*\* Data as on 31<sup>st</sup> October, 2011 \*\* Assuming an Issue Size of Rs.40 crore*

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

The Company confirms that other than and to the extent mentioned elsewhere in this Disclosure Document, it has not issued any shares or debt securities or agreed to issue any shares or debt securities for consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

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

The Company hereby confirms that:

- a) The main constituents of the Company's borrowings have been in the form of borrowings from Financial Institutions, Bonds, etc. and Company has been servicing its principal and interest liabilities on time and there has been no instance of delay or default since inception.
- b) The Company has neither defaulted in repayment/ redemption of any of its borrowings nor affected any kind of roll over against any of its borrowings in the past.

**XIV. UNDERTAKING REGARDING COMMON FORM OF TRANSFER**

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

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

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

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

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

**XVI. 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 hereby undertakes that it shall seek consent from the existing charge holders for creating of security for the Bonds on pari passu basis. In future, the Trustees shall provide consent to create pari-passu charge subject to Company's complying with the requisite terms of the Bonds issued.

**XVII. MATERIAL CONTRACTS & DOCUMENTS**

By the very nature of its business, NEEPCO is involved in a large number of transactions and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of NEEPCO. However, the contracts referred to below (not being contracts entered into in the ordinary course of the business carried on by NEEPCO) which are or may be deemed to be material have been entered into by NEEPCO. Copies of these contracts together with the copies of documents referred below may be inspected at the Head Office of NEEPCO between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

**MATERIAL CONTRACTS**

- a. Copy of letter appointing Arrangers to the Issue.
- b. Copy of letter appointing Registrar and Transfer Agents.
- c. Copy of letter appointing Axis Trusteeship Services Ltd. as Trustees to the Bondholders

**DOCUMENTS**

- a. Memorandum and Articles of Association of NEEPCO as amended from time to time.
- b. Board Resolution dated November 29, 2011 authorizing issue of Bonds offered under terms of this Disclosure Document.
- c. Letter of consent from Axis Trusteeship Services Ltd. for acting as Trustees for and on behalf of the holder(s) of the Bonds.
- d. Letter of consent from MCS Limited for acting as Registrars to the Issue.
- e. In-principle approval from BSE for of listing of Bonds.
- f. Letter from ICRA conveying the Credit Rating dated November 29, 2011 for the Bonds of NEEPCO and the rating rationale pertaining thereto.
- g. Tripartite Agreement between NEEPCO, NSDL & MCS Ltd. for issue of Bonds in Dematerialized form.
- h. Tripartite Agreement between NEEPCO, CDSL and MCS Ltd. for issue of Bonds in Dematerialized form

**XVIII. DECLARATION**

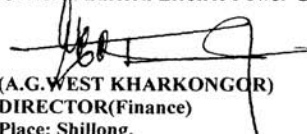
It is hereby declared that this Disclosure Document contains full disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LADNRO/GN/2008/13/127878 dated June 06, 2008.

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 any one 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 its meeting held on 29<sup>th</sup> November 2011

for North Eastern Electric Power Corporation Limited.



(A.G. WEST KHARKONGDOR)  
DIRECTOR (Finance)

Place: Shillong.  
Date: 12<sup>th</sup> December 2011

## **XIX. ANNEXURES**

- Credit Rating letter dated 29.11.2011 from Rating Agency – ICRA  
Enclosed
- Consent letters dated 12.12.2011 from Trustee - Axis Bank Limited  
Enclosed
- Consent letter dated 12.12.2011 from Registrar & Transfer Agent - MCS Limited  
Enclosed
- Consent letter dated 30.11.2011 from State Bank Of India to act as Banker to the Issue  
Enclosed
- Application form & Instructions  
Enclosed
- Schedule of Interest payments  
Enclosed





**ICRA Limited**

An Associate of Moody's Investors Service

Ref: ICRA/KOL/RA/2011-12/495

November 29, 2011

Mr. A. G. West  
Director (Finance)  
North Eastern Electric Power Corporation Limited  
Brookland Compound,  
Lower New Colony,  
Shillong – 793003

Dear Sir,

Re: **ICRA Credit Rating for the Rs. 120 crore Non-Convertible Debenture (NCD) Programme of North Eastern Electric Power Corporation Limited**

Please refer to your Rating Requisition dated November 25, 2011 and the subsequent Rating Agreement of November 26, 2011 for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a "[ICRA]AA-" (pronounced as ICRA Double A minus) rating to the captioned NCD Programme. The rated instrument carries very low credit risk.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as "[ICRA]AA-". We would appreciate if you can sign on the duplicate copy of this letter and send it to us within 7 days from the date of this letter as confirmation about the use of the assigned rating. The rationale for assigning the above rating will be sent to you on receipt of your confirmation about the use of our rating, as above. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and confirmed to use by you, it would be subject to our review and may result in change in the rating assigned.

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

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds to be issued by you. If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter communicating the rating, the same would stand withdrawn unless revalidated before the expiry of 3 months.

You are required to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing. You are also required to keep us forthwith informed of any other developments which may have a direct or indirect impact on

FMC FORTUNA, A-10 & A-11, 3<sup>rd</sup> Floor Tel. : +(91 33) 2280 0008, 2283 1411 website : www.icraindia.com  
234/3A, A.J.C. Bose Road + (91 33) 2287 6617, 2287 8839  
Kolkata-700 020 Fax : +(91 33) 2287 0728

Regd. Off. : 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110 001



the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s).

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

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours sincerely,  
for ICRA Limited

A handwritten signature in black ink, appearing to read 'Jayanta Roy', written in a cursive style.

Jayanta Roy  
Senior Vice President

A handwritten signature in black ink, appearing to read 'Ritabrata Ghosh', written in a cursive style.

Ritabrata Ghosh  
Analyst



ATSL/CO/11-12/ 3797A  
December 12, 2011

**Deputy General Manager,  
North Eastern Electric Power Corp. Ltd.,  
Brookland Compound,  
Lower New Colony, Post Box No.79,  
Shillong – 793003.**

**Kind Attn: Shri A. G. West**


Dear Sir,

**Sub.: Consent Letter to act as a Bond Trustee for Secured, Redeemable Non-Convertible Taxable Bonds in the nature of Debentures (XIth Issue) aggregating to Rs.40 Crores**

We refer to our discussion in connection with appointment of Axis Trustee Services Limited (ATSL) as Bond Trustee for your proposed Secured, Redeemable Non-Convertible Taxable Bonds in the nature of Debentures (XIth Issue) aggregating to Rs.40 Crores. In furtherance to the same, we are pleased to inform you that we are agreeable to act as Bond Trustee for your aforesaid issue.

You may include our name as Bond Trustee in the Offer Document/Information Memorandum in regard to above mentioned Bond Issues proposed to be listed with Stock Exchange(s).

**Yours truly,  
For Axis Trustee Services Limited**

  
**Dhruba Jyoti Bora  
Deputy General Manager**

**AXIS TRUSTEE SERVICES LTD.**

*(A wholly owned subsidiary of Axis Bank)*

CORPORATE & REGISTERED OFFICE : 2nd Floor, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

TEL : 022-24252525/43252525



## MCS Limited

77/2A, HAZRA ROAD, Kolkata – 700 029

Phone: 2454-1892/1893, Fax: 2454-1961, e-mail: mcskol@rediffmail.com

Dated 12th December 2011.

To,  
M/s. NEEPCO Limited  
Shillong

Kind Attn: Ms. Cathleen Ranee  
Senior Manager (Finance)

Sub: Letter of Consent  
Re: Issue of 40 Crores Secured, Redeemable Non-Convertible Taxable Bonds  
In the Nature of Debenture (XIth Issue)

Dear Sirs,

This is with reference to your email dated 12<sup>th</sup> December 2011 in respect of the above subject offering us appointment as a Registrar and Transfer Agent for the above issue.

In this connection we are pleased to accept your offer to act as Registrar and Transfer Agent to above Issue and hereby give our consent to include our name as Registrar to the Issue in the Draft Prospectus / Prospectus.

We convey our sincere thanks for entrusting us for the said assignment and ensure our best attention and services at all times.

Thanking you,

Yours faithfully,  
For MCS Limited,

  
Authorised Signatory

---

Registered Office: 21 & 22, Ground Floor, Kashiram Jamna Das Bldg., 5, P. D'Mello Road  
(Gadiyal Godi), Masjid East, Mumbai – 400 009, Maharashtra



STATE BANK OF INDIA  
SHILLONG BRANCH  
M G ROAD  
EAST KHASI HILLS  
Phone No.0364-2228899. Fax- 2223521,Shillong.

AGM/57/238

Date:30/11/2011

The SR.Manager(Finance),  
North Eastern Elect.Power Corp.Ltd.,  
Brookland Compound,Lower New Colony,  
Shillong.793003.

Dear Sir,

COLLECTING BANKER TO THE NEEPCO PSU BONDS XITH SERIES.

With reference to your letter No.NEEPCO/Fin/CT/2011-12/125 dt.30/11/2011,we have to advise that we have received the necessary account opening form duly filled up along with supporting documents sent to us and have opened the current account number 32061917621 with us on 30/11/2011 in the style as advised by you.

2. Further, we have our consent herewith to act as "Collecting Banker" for your NEEPCO PSU BONDS XITH Series.

Yours faithfully,

Assistant General Manager,  
SBI,Shillong.(0181)

### INTEREST ON NEEPCO PSU BONDS XI<sup>th</sup> SERIES - Rs.40 Crores

Particulars	Date		No. of days for interest calculation	Days in the year	Total Interest payable (Rupees)	Interest payable per Bond (Rupees)
	From	To				
First date for calculating the relevant no. of days (convention) in the year	15-Jan-11					
Deemed date of allotment	15-Dec-11					
1st interest payment	15-Dec-11	14-Jan-12	31	365	3465205	8663
2nd interest payment	15-Jan-12	14-Jul-12	182	366	20288525	50721
3rd interest payment	15-Jul-12	14-Jan-13	184	366	20511475	51279
4th interest payment	15-Jan-13	14-Jul-13	181	365	20232329	50581
5th interest payment	15-Jul-13	14-Jan-14	184	365	20567671	51419
6th interest payment	15-Jan-14	14-Jul-14	181	365	20232329	50581
7th interest payment	15-Jul-14	14-Jan-15	184	365	20567671	51419
8th interest payment	15-Jan-15	14-Jul-15	181	365	20232329	50581
9th interest payment	15-Jul-15	14-Jan-16	184	365	20567671	51419
10th interest payment	15-Jan-16	14-Jul-16	182	366	20288525	50721
11th interest payment	15-Jul-16	14-Jan-17	184	366	20511475	51279
12th interest payment	15-Jan-17	14-Jul-17	181	365	20232329	50581
13th interest payment	15-Jul-17	14-Jan-18	184	365	20567671	51419
14th interest payment	15-Jan-18	14-Jul-18	181	365	20232329	50581
15th interest payment	15-Jul-18	14-Jan-19	184	365	20567671	51419
16th interest payment	15-Jan-19	14-Jul-19	181	365	20232329	50581
17th interest payment	15-Jul-19	14-Jan-20	184	365	20567671	51419
18th interest payment	15-Jan-20	14-Jul-20	182	366	20288525	50721
19th interest payment	15-Jul-20	14-Jan-21	184	366	20511475	51279
20th interest payment	15-Jan-21	14-Jul-21	181	365	20232329	50581
Interest on Redemption	15-Jul-21	14-Dec-21	153	365	17102466	42756
Redemption date	15-Dec-21		<b>3653</b>		<b>408000000</b>	<b>1020000</b>
Last date for calculating the relevant no. of days (convention) in the year	15-Jan-22					

IN WITNESS WHEREOF the common seal of the company has been hereunto affixed and the Trustees have caused these presents to be executed by their authorised official(s) on the day, month and year first hereinabove written in the manner hereinafter appearing.

The Common Seal of **NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED** has been hereunto affixed pursuant to the resolutions of its Board of Directors passed on 29<sup>th</sup> November 2011 and 22<sup>nd</sup> June 2012 in the presence of Shri Alexander Gordon West Kharkongor, Director of the company who has signed these presents in token thereof in the presence of:

1.

2.

SIGNED AND DELIVERED by **AXIS TRUSTEE SERVICES LIMITED**, in its capacity as Trustees by the hand of its Authorised Official, Shri in the presence of:

1.

2.