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



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

(Government of Tamil Nadu Undertaking)

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

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

CIN No: U40109TN2009SGC073746

DISCLOSURE DOCUMENT

DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF STATE GOVERNMENT GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON CONVERTIBLE TAXABLE BONDS OF RS. 10.00 LACS EACH FOR CASH AT PAR AGGREGATING TO RS. 500 CRORES PLUS GREEN SHOE OPTION UPTO THE AMOUNT OF RS. 500 CRORES BY TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED (“TANGEDCO”/ “THE ISSUER”) SERIES-2/2014-15.

HIGHLIGHTS

- Impeccable track record of timely servicing of its debt obligation to all the bond holders.
- Unconditional & Irrevocable Guarantee by Govt. of Tamil Nadu for the timely servicing of the bond obligation backed by the Escrow Mechanism.
- Credit rating shows low credit risk, making it a safe investment option.
- Put/ Call Option: At the end of 7th Year.
- Attractive returns: Coupon Rate of 9.20% p.a. payable semi-annually.
- Annualized Yield: 9.41%.
- Maturity: 10 years.
- Ratings Assigned – Conditional ICRA “A- (SO)” by ICRA Ltd and “IND A (SO) (exp)” by India Rating & Research Pvt Ltd.”

GENERAL RISK

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

ISSUER’S ABSOLUTE RESPONSIBILITY

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

CREDIT RATING

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

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

LISTING

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

DEBENTURE TRUSTEE TO THE ISSUE



SBICAP TRUSTEE COMPANY LTD
Apeejay House, 6th Floor, 3, Dinshaw Wachha Road, Churchgate, Mumbai - 400020
Tele: 022-43025555
Fax: 022-22040465
Email: corporate@sbicaptrustee.com

REGISTRAR TO THE ISSUE



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BANKER(S) TO THE ISSUE (in alphabetic order)



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ISSUE SCHEDULE

ISSUE OPENING DATE	30 th October 2014
ISSUE CLOSING DATE	11 th December 2014
PAY IN DATES	30 th October 2014 to 11 th December 2014
DEEMED DATE OF ALLOTMENT	31 st December 2014

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

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*** DISCLAIMER(S)**

1. DISCLAIMER OF THE ISSUER:

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

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

Prospective subscribers must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in Bonds. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Bonds. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Bonds. Nothing in this Disclosure Document should be construed as advice or recommendation by the Issuer or by the Arrangers to the Issue to subscribers to the Bonds. The prospective subscribers also acknowledge that the Arrangers to the Issue do not owe the subscribers any duty of care in respect of this private placement offer to subscribe for the bonds. Prospective subscribers should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Bonds and matters incidental thereto.

This Disclosure Document is not intended for distribution. It is meant for the consideration of the person to

whom it is addressed and should not be reproduced by the recipient and the contents of this information memorandum shall be kept utmost confidential. The securities mentioned herein are being issued on private placement Basis and this offer does not constitute a public offer/ invitation.

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

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

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

3. DISCLAIMER OF THE ADVISOR AND ARRANGER(S) TO THE ISSUE:

It is advised that the Issuer has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Advisors and Arrangers to the Issue (collectively referred to as "Arrangers"/ "Arrangers to the Issue") in the assignment is confined to marketing and placement of the bonds on the basis of this Disclosure Document as prepared by the Issuer. The Arrangers have neither scrutinized/ vetted nor have they done any due-diligence for verification of the contents of this Disclosure Document. The Arrangers shall use this Disclosure Document for the purpose of soliciting subscription from a particular class of eligible investors in the Bonds to be issued by the Issuer on private placement basis. It is to be distinctly understood that the aforesaid use of this Disclosure Document by the Arrangers should not in any way be deemed or construed that the Disclosure Document has been prepared, cleared, approved or vetted by the Arrangers; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure 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 Issuer. Arrangers are not responsible for compliance of any provision of new Companies Act, 2013. The Arrangers or any of their 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 Disclosure Document.

4. DISCLAIMER OF THE STOCK EXCHANGE:

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

5. DISCLAIMER IN RESPECT OF JURISDICTION:

The private placement of Bonds is made in India to Companies, Corporate Bodies, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such Trust/ Society is authorised under constitution/ rules/ byelaws to hold bonds in a Company, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Insurance Companies, Commercial Banks including Regional Rural Banks and Cooperative Banks, Provident, Pension, Gratuity, Superannuation Funds as defined under Indian laws. The Information Memorandum 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 Information Memorandum comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the courts at Chennai. All information considered adequate and relevant about the Issuer has been made available in this Information Memorandum 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.

6. DISCLAIMER BY RESERVE BANK OF INDIA:

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

7. DISCLAIMER BY DEBENTURE TRUSTEE:

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

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

SR. No	PARTICULARS	:	DETAILS
(i)	REGISTERED OFFICE OF THE ISSUER		
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•	Fax No	:	044-28521561
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(ii)	CORPORATE OFFICE OF THE ISSUER		
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(iii)	COMPLIANCE OFFICER OF THE ISSUER		
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(iv)	CHIEF FINANCIAL OFFICER OF THE ISSUER		
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PRIVATE PLACEMENT OFFER LETTER/ INFORMATION MEMORANDUM DATED: 30th October 2014

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(vi)	TRUSTEE OF THE ISSUE		
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•	Fax No	:	044-28142479
•	Email	:	corpserv@iepindia.com
•	Website	:	https://www.integratedindia.in
(viii)	CREDIT RATING AGENCY		
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•	Address	:	4th Floor, D South, TIDEL Park, No.4, Rajiv Gandhi Salai, Taramani, Chennai - 600 113
•	Tele No	:	044-4340 1700
•	Fax No	:	044- 4340 1701
•	Email	:	srinivas.mr@indiaratings.co.in
•	Website	:	http://indiaratings.co.in/
(ix)	AUDITORS OF THE ISSUER		
A	Name	:	CHANDRAN & RAMAN
•	Address	:	"PARAGON", No.2, Radhakrishnan Salai, 2 nd Street, Mylapore, Chennai-600 004.
•	Tele No	:	044-28474667 / 28474755
B	Name	:	M/s. PONRAJ & CO
•	Address	:	108, Wallajah Road, II Floor, Trade Centre, Chennai - 600 002.
•	Tele No	:	044-28549953
C	Name	:	SETHURAMAN & SRIVATSAN

•	Address	:	New No.9 (C-3), Third Cross, West Extension, Thillainagar, Trichy - 620018
•	Tele No	:	0431-2763095/90
D	Name	:	M/s. K. S. G. Subramanyam & Co.,
•	Address	:	II Floor, United Shopping Complex, 94/36, Dr. Nanjappa Road, Coimbatore – 641 018.
•	Tele No	:	0422 -2380917 / 2302823
E	Name	:	M/s. SLSM & Co
•	Address	:	261-E, Goods Shed Street, 2 nd Floor, Madurai – 625 001
•	Tele No	:	0452-4380475 / 4380574

B) BRIEF SUMMARY OF BUSINESS/ ACTIVITIES OF COMPANY AND ITS LINE OF BUSINESS CONTAINING ATLEAST FOLLOWING INFORMATION:-

(i) OVERVIEW:-

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

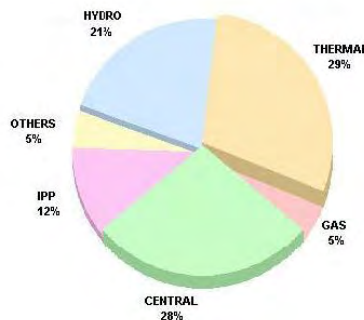
Mission of the Government

The Government of India, MoP has planned to give “Power for all by 2012”. To achieve this, Tamil Nadu Generation and Distribution Corporation limited is making progress in Generation and Distribution sector. It is happy to inform that the electrification of all villages and towns were completed and also electrification of all households is under progress.

Generation

Installed Capacity

To satisfy the energy needs of the state, Tamil Nadu Electricity Board has a total installed capacity of 10515.34 which includes Central share and Independent Power Producers. Other than this, the state has installations in renewable energy sources like windmill, Bios mass and Cogeneration up to 7999 MW. As of now, the total installed capacity in Tamil Nadu is 18514.34 MW.



Future projects

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

Environment Concern

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

Power generation, particularly the coal based power plants have adverse impact on the environment. Presently Tamil Nadu Generation and Distribution Corporation (TANGEDCO) has four major coal based Thermal Power Stations with a total capacity of 2970 MW and four gas based power plants with a total capacity of 516 MW. Three additional thermal units with an installed capacity of 600 MW each have started generation. TANGEDCO realizes its social obligation and is very much conscious of the importance of prevention of degradation of environment due to its various Thermal Stations. Hence TANGEDCO is very much serious in incorporating the environmental safeguards relentlessly in all its Power Plants, right from the inception stage of the Project to the commissioning stage and in the day to day running of the Power Plants.

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

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

Non-Conventional Energy Sources (NCES)

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

Wind Energy

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

Biomass Energy

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

Solar Energy

The Solar Energy is the most readily available source of energy and is free. It is also the most important of the non-conventional sources of energy because it is non-polluting and, therefore, helps in lessening the greenhouse effect.

Solar Power generation in grid interactive mode is also encouraged by TNEB based on the policy initiative taken by the government of India. Power generation using SPV has not gathered momentum due to the fact that the capital cost is very high even after the subsidy component provided by the Ministry of New and Renewable Energy (MNRE).

However small sized stand-alone systems and roof top systems are being operated in various locations. At present Solar Energy is being harnessed for thermal /heat source required alone which is some what commercially viable.

Establishment of Solar Power Plants by Generation based Incentive (GBI) scheme:

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

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

The establishment of Grid connected Solar power generation is broadly divided into two schemes namely,

- (1) NVVN Scheme
- (2) RPSSGP Scheme

I. NVVN Scheme :- (NTPC's Vidyut Vyapar Nigam Ltd.,)

Under this scheme, NTPC Vidyut Vyapar Nigam Ltd., (NVVN) is designated as Nodal Agency for procuring the Solar power from Solar power generators, which are connected to the grid at a voltage level of 33 KV and above.

Only one developer (M/s.CCCL Infrastructure – 5 MW capacities) have been selected under this Scheme and commissioned their project on 29/03/2012.

II. RPSSGP Scheme :- (Roof Top Photo Voltaic & Small Solar Generation Program)

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

7 Developers have been selected under this Scheme.

- (1) M/s.RL Clean Power (1 MW)
- (2) M/s.B&G Solar (1 MW)
- (3) M/s. Great Shine Holdings (1 MW)
- (4) M/s.Gemini Geoss (1 MW)
- (5) M/s.Amsons (1 MW)
- (6) M/s.Harrisons (1 MW)
- (7) M/s. Noel (1 MW)

6 Nos. power plants have been commissioned and works are under progress for the other plants. REC Scheme (Renewable Energy Certificate):

Under this scheme, application for the establishment of solar power plants in Tamil Nadu have been received directly at O/o the Chief Engineer/ NCES/TANGEDCO/Chennai-2. The developer have been paid TANGEDCO's average pooled purchase cost of Rs. 2.37/unit on export of solar power to TNEB grid. For every MWhr generation i.e. 1000 KWhr, a certificate will be issued to the solar power developer which can be traded in CERC authorized power exchange.

Under this scheme, M/s. Numeric Power Systems Limited has commissioned 1 MW solar PV power plant at Kuppepalayam village, Coimbatore district on 9.5.12.

Distribution

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

Growth from 1957:

Consumer base from 4.3 Lakhs to about 223.44 Lakhs
Number of Distribution Transformers from 3773 to 2.04 Lakhs
Length of LT lines from 13,055 kms to 5.56 Lakhs Kms
Peak demand from 172 MW to 10702 MW
Per Capita consumption from 21 units to 1040 units
Number of electrified towns, villages and hamlets from 1813 to 63956
To achieve the goal of electrification of all households by XI plan period, The Government has launched the following schemes,

- **Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)**
- **Restructured Accelerated Power Development & Reform Programme**

Restructuring of TNEB

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

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

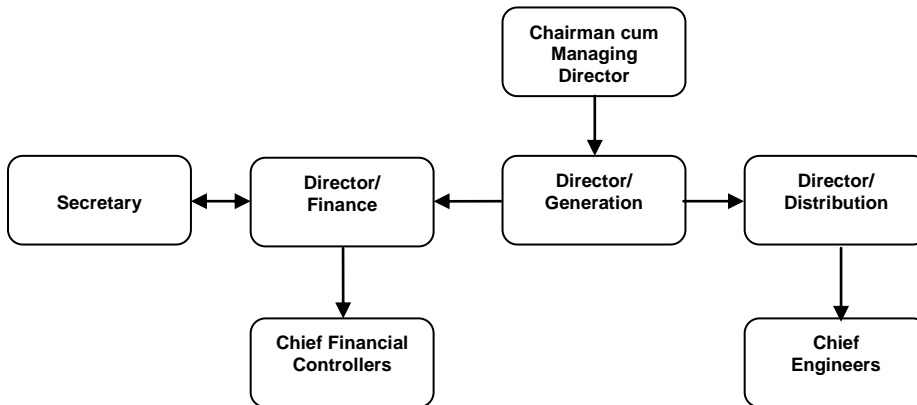
3. Further, the holding company, TNEB Ltd was registered on 01.12.2009 and the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) on 01.12.2009. The Certificate for Commencement of Business has been obtained for TNEB Ltd and Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO)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

4. The proposal for Assets Transfer and Employee transfer has been notified by GoTN on 19.10.2010. Based on the Transfer scheme, the Board has been re-organized with effect from 01.11.2010. The finalization of the Draft Tripartite Agreement between Government, Board and Employees is under process and the same will be finalized at the earliest. Also, as the provisional period for transfer of assets is one year and as the period has expired on 31.10.2011, Government of Tamil Nadu had initially extended the provisional period for a further period of one year i.e. up to 31.10.2012 and has also notified the opening balance with provisional opening Balance Sheet of the successor companies as on 1.11.2010 based on 2009-10 audited accounts. Now Government of Tamil Nadu has been requested to extend the period for final transfer scheme upto 31.10.2014.

Tariff Revision

The Hon'ble TNERC has initiated suo-motu proceedings for revision of tariff for the year 2014-15. The process of public hearing is under progress.

(ii) CORPORATE STRUCTURE:-



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

(a) STANDALONE BASIS:

(Rs. in crores)

Indicators	FY 2013-14	FY 2012-13	FY 2011-12
	(Audited)	(Audited)	(Audited)
Net worth	-42411.47	-30927.99	-21181.63
Total Term Debts	59306.95	40318.16	19412.14
Of which - Non Current Maturities of Long Term Borrowings	59306.95	40318.16	19412.14
Short Term Borrowings	1530.07	1586.19	2709.32
Current Maturities of Long Term Borrowings	0.00	0.00	0.00
Net Fixed assets	33587.92	30244.50	26926.79
Non-Current Assets	1649.11	1333.47	979.31
Cash & cash equivalents	543.39	325.90	624.90
Current Investments	0.00	0.00	0.00
Current assets	24930.18	17485.60	13442.33
Current Liabilities	34887.06	33080.34	27180.09

Net sales (net revenue including other income)	34912.76	31467.59	22898.38
EBITDA	-6482.36	-5541.90	-9117.25
EBIT	-7205.26	-6189.06	-9733.25
Interest	6779.77	5490.01	3588.08
PAT	-13985.03	-11679.07	-13321.33
Dividend amounts	0.00	0.00	0.00
Current ratio	0.53	0.53	0.49
Interest coverage ratio	-0.96	-1.00	-2.54
Debt/equity ratio	7.27	6.67	4.27
Debt Service Coverage Ratios	-1.27	-0.93	-1.65

Gross Debt: Equity Ratio of the Company:

Before the issue of debt securities	7.27
After the issue of debt securities	7.33

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

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

(v) SUBSIDIARIES OF THE COMPANY (If any): NIL

(C) A BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION GIVING DETAILS OF IT'S FOLLOWING ACTIVITIES:-

On 1st July 1957, Tamilnadu Electricity Board came into being and has remained the energy provider and distributor all these years. During the period the Government has extended the electrical network to all the villages and towns throughout the State. Tamilnadu Generation and Distribution Corporation Limited, (TANGEDCO) is incorporated under the Companies Act, 1956 (No.1 of 1956) on 1st December 2009. After 53-years of journey, based on the Tamilnadu Electricity (Reorganization and Reforms) Transfer Scheme, 2010 and as per the provisions of the Electricity Act, 2003, and G.O. (Ms) No.100, Energy (B2) Department, Dt.19.10.2010 TNEB has restructured itself on 01/11/2010 into TNEB Ltd; Tamilnadu Generation and

Distribution Corporation (TANGEDCO) Ltd; and Tamilnadu Transmission Corporation (TANTRANSCO) Ltd. The authorized capital is Rs.12000.00 crore and paid up capital is Rs.6375.34 crore as on 30.9.2013. To satisfy the energy needs of the State, TANGEDCO, as on 31/3/2013 has a total installed capacity of 10515.34 MW, which includes Central share and Independent Power Producers. Other than this, the State has installations in renewable energy sources like Windmill, Biomass, Solar and Co-generation Plants up to 7999 MW.

Presently TANGEDCO has 42 Hydro Stations with a total capacity of 2237 MW, 4 major coals based Thermal Power Stations with a total capacity of 2970 MW and 4 gases based Power Plants with a total capacity of 516 MW. Three additional thermal units with an installed capacity of 600 MW each have started generation. A Joint Venture project with NTPC with installed capacity of 3x500MW is under various stages of completion. The Unit-I & II with a share of 750MW was already commissioned. The Unit-III would be commissioned before September 2014. Another Joint Venture project with NLC Ltd with installed capacity of 2x500MW is to be commissioned during 2014-15.

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

i. DETAILS OF SHARE CAPITAL AS ON LAST QUARTER END (30.09.2014):-

Share Capital	Rs. In Crores
Authorized Share Capital	12000.00
Issued, Subscribed and Paid-up Share Capital	9021.42

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

Date of change (AGM/EGM)	Rs	Particulars
	50000000	Incorporation
30.5.2011	50000000000	First AGM
27.9.2011	120000000000	Third AGM

iii. EQUITY SHARE CAPITAL HISTORY OF THE COMPANY AS ON LAST QUARTER END (30.9.2014), FOR THE LAST FIVE YEARS:-

Date of Allotment	No of Equity Shares	Face Value (Rs.)	Issue Price (In Rs)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity share capital (Rs.)	Equity share premium (in Rs.)	
Incorporation	50000	10	10	Cash	At par	50000	500000	NIL	
31.12.2011	2246077028	10	10	Other than cash as per transfer G.O.	At par	2246127028	22461270280	NIL	

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27.9.2012	2305089600	10	10	Cash	At par	4551216 628	45512166 280	NIL	
20.4.2013	1493087836	10	10	Cash	At par	6044304 464	60443044 640	NIL	
30.10.2013	331030000	10	10	Cash	At par	6375334 464	63753344 640	NIL	
27.3.2014	1653000000	10	10	Cash	At par	8028334 464	80283344 640	NIL	
23.06.2014	662060000	10	10	Cash	At par	8690394 464	86903944 64	NIL	
26.09.2014	331030000	10	10	Cash	At par	9021424 464	90214244 64	NIL	

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

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

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

(D) DETAILS OF THE SHAREHOLDING OF THE COMPANY AS ON THE LATEST QUARTER END (30.9.2014)

i. **SHAREHOLDING PATTERN OF THE COMPANY AS ON LAST QUARTER END (30.09.2014)**

Sl. No.	Particulars (Government of Tamil Nadu through following nominees)	Total No. of Equity Shares (each face value Rs.10)	No. of Shares in demat form	Total Shareholding as % of total no. of equity shares
1	KANDASAMY SHANMUGAM / Principal Secretary to Govt., Finance Department.	49940	NIL	0.00062%
2	KUMARASWAMY GNANADESIKAN / Chairman cum Managing Director/TANGEDCO	10		
3	S. ARULSAMY / Director-Finance/TANGEDCO	10		
4	P. ANNADURAI / Director-Distribution/TANGEDCO	10		
5	S.DEVARAJAN / Director-Generation/TANGEDCO	10		
6	M MANOHARAN / Chief Financial Controller/ Revenue/TANGEDCO	10		
7	P.S. GANESH / Chief Engineer/PPP.	10		
8	TNEB Ltd	9021374464		
	TOTAL	9021424464		100%

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

ii. **LIST OF TOP 10 HOLDERS OF EQUITY SHARES OF THE COMPANY AS ON THE LATEST QUARTER END (30.09.2014)**

Sl. No.	Particulars (Government of Tamil Nadu through following nominees)	Total No. of Equity Shares (each face value)	No. of Shares in demat	Total Shareholding as % of total no. of
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		Rs.10)	form	equity shares
1	KANDASAMY SHANMUGAM / Principal Secretary to Govt., Finance Department.	49940	NIL	0.00062%
2	KUMARASWAMY GNANADESIKAN / Chairman cum Managing Director/TANGEDCO	10		
3	S. ARULSAM Y / Director-Finance/TANGEDCO	10		
4	P. ANNADURAI / Director-Distribution/ TANGEDCO	10		
5	S. DEVARAJAN / Director-Generation/ TANGEDCO	10		
6	M MANOHARAN / Chief Financial Controller/ Revenue/TANGEDCO	10		
7	P.S. GANESH / Chief Engineer/PPP.	10		
8	TNEB Ltd	9021374464		
	TOTAL	9021424464		100%

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

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

Name, Designation, DIN	Age (date of birth)	Address	Directors of the company since	Details of other directorship
Thiru K. Gnanadesikan, IAS DIN - 00111798	16.04.1959	Chairman and Managing Director, TANGEDCO Ltd, 144, Anna Salai, Chennai-600 002	01.10.2012	TNIDC, NTPC, Tamilnadu Energy Development Corp. Ltd. Arasu Cable,,Mandakini B Coal Ltd, Maha Tamil Collieries Ltd., TANTRANSCO, TNEB, TANGEDCO, UPCL, Tamilnadu Maritime Board, Poompuhar Shipping Corpn Ltd.
Thiru Rajesh Lakhoni, IAS DIN-01288879	26.05.1969	Secretary to Government, Energy Department & Ex-officio Director, Fort St.George, Secretariat, Chennai-600 009		
Thiru K Shanmugam, IAS DIN-00794191		Principal Secretary to Government, Finance Department & Ex-officio Director, Fort St.George, Secretariat, Chennai-600 009		
Thiru C V Sankar, IAS DIN-00703204		Principal Secretary to Government, Industries Department & Ex-officio Director, Fort St.George, Secretariat, Chennai-600 009		
Thiru R V Sundararaman, B.E., M.A., FIE., DIN-06938490	24.12.1956	Director (part time)/ TANGEDCO Ltd 144, Anna Salai, Chennai-600 002	16.7.2014	
Thiru P.Annaduarai, B.E., FIE., DIN-06805554	25.05.1957	Director (Distribution) TANGEDCO Ltd, 144, Anna Salai, Chennai-600 002	1.1.02014	
Thiru S. Devarajan, M.E., FIE.,	25.05.1957	Director (Generation)	16.07.2014	

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DIN-06802244		TANGEDCO Ltd, 144, Anna Salai, Chennai- 600 002		
Thiru R.S.Alagappan, B.E., DIN-06942284	17.02.1957	Director/ Projects TANGEDCO Ltd, 144, Anna Salai, Chennai- 600 002	16.07.2014	
Thiru S. Arulsamy, M.Com., AICWA, ACS, DIN-00794191	09.6.1959	Director/Finance TANGEDCO Ltd, 144, Anna Salai, Chennai- 600 002	09.01.2014	TANGEDCO, TNEB, Poompuhar Shipping Corpn Ltd., Maha Tamil Collieries Ltd.,

**LIST OF DIRECTORS OF TANGEDCO LTD
(AS ON 25.10.2014)**

1.	K. Gnanadesikan, I.A.S. Chairman cum Managing Director
2.	Rajesh Lakhoni, I.A.S. Secretary to Government, Energy Department & Ex-Officio Director, Chennai – 600 009.
3.	K. Shanmugam, I.A.S. Principal Secretary to Government, Finance Department & Ex-Officio Director, Chennai – 600 009.
4.	C.V. Sankar, I.A.S. Principal Secretary to Government, Industries Department & Ex-Officio Director, Chennai – 600 009.
5.	R V Sundararaman, B.E., M.A., FIE., Managing Director / TANTRANSCO Director (part time) TANGEDCO Ltd
6.	P. Annadurai, B.E., FIE., Director – Distribution
7.	S. Devarajan, M.E., FIE., Director – Generation
8.	R.S. Alagappan, B.E., Director/Projects.
9.	S. Arulsamy, M.Com., AICWA, A.C.S., Director – Finance

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

SL No.	Name , Designation and DIN	Date of appointment/ Resignation/ (From – To)	Director of the Company since (in case of resignation)	Remarks
1	G. Rajagopal, Director Finance	08/4/2010 – 08/1/2014	09/4/2010	Resigned
2	Swaran Singh, IAS, Chairman cum Managing Director, DIN-00130877	20/5/2011 – 28/5/2011	20/5/2011	Transferred
3	Hans Raj Verma, IAS, Chairman cum Managing Director	28/5/2011 – 02/11/2011	28/5/2011	Transferred
4	Rajeev Ranjan, IAS, Chairman cum Managing Director	02/11/2011 – 01/10/2012	02/11/2011	Transferred
5	T. Jayaseelan, Director Distribution	23/2/2011 – 31/12/2013	23/2/2011	Retired

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6	K. Balasubramaniam, Director Generation	08/4/2010 – 31/1/2012	08/4/2010	Retired
7	S. Akshayakumar, Director (Transmission Projects) & Managing Director/ TANTRANSCO (a/c), Director (Part time)	14/12/2009 - 31/5/2014	14/12/2009	Retired
8	N. Sankar, Director Generation	05/07/2012 - 30/6/2014	05/07/2012	Retired

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

i. DETAILS OF THE AUDITOR OF THE COMPANY:-

Name	Address	Auditors Since
CHANDRAN & RAMAN	"PARAGON", No.2, Radhakrishnan Salai, 2 nd Street, Mylapore, Chennai-600 004. Ph: 044-28474667 / 28474755	For the year 2012-13
M/s.PONRAJ & CO	108, Wallajah Road, II Floor, Trade Centre, Chennai – 600 002.	For the year 2012-13

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

Name	Address	Date of Appointment / Resignation	Date of Cessation	Auditor of the Issuer since (in case of resignation)	Remarks
Sivasubramanian Rao	D2, 3 rd Floor, B-Block, Parsn Paradise, 109, G.N.Chetty Road, T.Nagar, Chennai-17.	Appointed by Comptroller and Auditor General of India, New Delhi.		2009-2012	NIL
CHANDRAN & RAMAN Ph: 044-28474667 / 28474755 M/s.PONRAJ & CO.,	"PARAGON" No.2, Radhakrishnan Salai, 2 nd Street, Mylapore, Chennai-600 004. 108, Wallajah Road, II Floor, Trade Centre, Chennai – 600 002.			2012-13	NIL
CHANDRAN & RAMAN M/s.PONRAJ & CO.,	"PARAGON" No.2, Radhakrishnan Salai, 2 nd Street, Mylapore, Chennai-600 004. 108, Wallajah Road, II Floor, Trade Centre, Chennai – 600 002.			2013-14	NIL
SETHURAMAN & SRIVATSAN	New No.9(C-3), Third Cross, West Extension, Thillainagar, Trichy – 620 018.				
M/s. K.S.G.Subramanyam & Co.,	II Floor, United Shopping Complex, 94/36, Dr. Nanjappa			Appointed by Comptroller and Auditor General of India, New Delhi.	2013-14

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M/s.SLSM & Co.,	Road, Coimbatore – 641 018. 261-E, Goods Shed Street, 2 nd Floor, Madurai – 625 001.			
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(G) DETAILS OF BORROWINGS OF THE COMPANY, AS ON THE LATEST QUARTER END (30.09.2014)

(i) DETAILS OF SECURED LOAN FACILITIES AS ON (30.09.2014)

Lender's Name	Type of Facility	Principal Amt Outstanding (Rs. in cr.)	Repayment Date /Schedule	Security
L.I.C. of India	Long Term; Normal	299.40	Quarterly	Fixed Assets
REC		7633.10		
PFC		6175.14		
IREDA		122.16		
TNPFC Ltd.		13265.96		
Term Loan from Banks		16255.15		
HUDCO		1151.74		
NABARD		936.31		
TOTAL		45838.96		

(ii) DETAILS OF UNSECURED LOAN FACILITIES AS ON (30.09.2014)

Lender's Name	Type of Facility	Amt Sanctioned (Rs. in cr.)	Principal Amt outstanding	Repayment Date Schedule
PFC Ltd	Transitional Loan	7843.00	7843.00	Monthly
REC Ltd		5000.00	5000.00	

(iii) DETAILS OF NCDS :- (as on 30.09.2014)

Sl. No.	Name of the issue	Date of allotment	Put call option / redemption	Amount subscribed / Amount allotted (Rs. in crores)	Payment of interest	Ratings	Secured / Unsecured
1	8.45% TNEB Bond Series-I/2007	31.1.2008	At the end of 5th year / 35% - 1.2.2013 / 35% - 1.2.2014 / 30% - 1.2.2015	200	Semi-annually on 1st Feb and 1st August of every year.	1. ICRA - LA + SO 2. CRISIL - A (SO) dt.3.9.2007	Unsecured

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2	8.45% TNEB Bond Series- I/2007 Tranche-II	01.4.2008	At the end of 5th year / 35% - 1.4.2013 / 35% - 1.4.2014 / 30% - 1.4.2015	0.8	semi- annually on 1st April & 1st October	1. ICRA - LA + SO 2. CRISIL - A (SO)	Unsecured
3	8.75% TNEB Bond Series- 2/2007-08	01.3.2008	At the end of 7th year / 01.3.2015	200	semi- annually on 1st March & 1st September 09112010 02822	1. ICRA - LA + SO 2. CRISIL - A (SO) dt. 29.1.2008	Unsecured
4	11.00% TNEB Bond Series- I/2008-09	03.11.2008	At the end of 5th year / 30% - 3.11.2013 30% - 3.11.2014 40% - 3.11.2015	200	semi- annually on 3rd November & 3rd May	1. ICRA - LA + SO 2. FITCH- A (SO) dt.21.10.2008 Affirmed as IND A(SO) dt.12.4.2013	Unsecured
5	9.85% TNEB Bond Series- 2/2008-09	26.12.2008	At the end of 5th year / 30% - 26.12.2013 30% - 26.12.2014 40% - 26.12.2015	400	semi- annually on 26th December & 26th June	1. ICRA - LA + SO 2. FITCH- A (SO) dt.21.10.2008	Unsecured
6	8.81% TNEB Bond Series- 3/2008-09	04.5.2009	At the end of 7th year / 30% - 04.5.2017 30% - 04.5.2018 40% - 04.5.2019	530.9	semi- annually on 4th November & 4th May.	1. ICRA - 1A + SO 2. CARE- A+SO	Unsecured
7	8.70% TNEB Bond Series- 1/2009-10	30.6.2009	At the end of 7th year / 30% - 04.5.2017 30% - 04.5.2018 40% - 04.5.2019	69.10	semi- annually on 30th December & 30th June	1. ICRA - 1A + SO 2. CARE- A+SO	Unsecured
8	8.40% TNEB Bond Series- 2/2009-10	06.1.2010	At the end of 8th year / 30% - 06.01.2018 30% - 06.01.2019	481	semi- annually on 6th July & 6th January	1. FITCH - A-(SO) dt.26.10.09 Upgraded to IND A(SO) dt.12.4.2013.	Unsecured

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			40% - 06.01.2020			2. CARE - A+SO dt.16.9.09.	
9	8.32% TNEB Bond Series- 3/2009-10	19.2.2010	At the end of 8th year / 30% - 19.2.2018 30% - 19.2.2019 40% - 19.2.2020	200	semi- annually on 19th August & 19th February	1. FITCH - A(SO) dt.26.10.09 Affirmed at 'IND A(SO) dt.12.4.2013. 2. CARE - A+SO dt.16.9.09.	Unsecured
10	8.64% TNEB Bond Series- 4/2009-10	29.3.2010	At the end of 8th year / 30% - 29.3.2018 30% - 29.3.2019 40% - 29.3.2020	319	semi- annually on 29th Sep. & 29th March	1. FITCH - A-(SO) dt.26.10.09 Upgraded to 'IND A(SO)' dt.12.4.2013. 2. CARE - A+SO dt.16.9.09.	Unsecured
11	8.65% TANGEDCO Bond Series- 1/2010-11	07.2.2011	At the end of 5th year / 20% - 07.02.2016 20% - 07.02.2017 20% - 07.02.2018 20% - 07.02.2019 20% - 07.02.2020	80.7	semi- annually on 7th August & 7th Feb.	1. ICRA - LA(SO) dt.20.9.2010 2. M/s.Brick work Ratings India Pvt Ltd - BWR A(SO) dt.20.9.2010	Unsecured
12	9.70% TANGEDCO Bond Series- 1/2011-12	07.07.2011	At the end of 8th year/ 30% 07.07.2019 30% 07.07.2020 40% 07.07.2021	670.50	Semi annually on 7th July and 7th January of every year.	1. M/s.Brick work Ratings India Pvt Ltd - BWR A(SO) dt.25.5.2011. 2. M/s.CRISIL Ltd.- A-(SO) dt.27.5.2011.	Unsecured
13	9.59% TANGEDCO Bond Series- 2/2011-12	26.08.2011	At the end of 8th year/ 30% 26.08.2019 30% 26.08.2020 40% 26.08.2021	539	Semi annually on 26th August and 26th February of every year.	1. M/s.Brick work Ratings India Pvt Ltd - BWR A(SO) dt.25.5.2011. 2. M/s.CRISIL Ltd.- A-(SO) dt.27.5.2011.	Unsecured
14	9.50% TANGEDCO Bond Series- 3/2011-12	03.10.2011	At the end of 8th year/ 30% 03.10.2019 30% 03.10.2020	37	Semi annually on 3rd April and 3rd October of	1. M/s.Brick work Ratings India Pvt Ltd - BWR A(SO) dt.25.5.2011 (and	Unsecured

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			40% 03.10.2021		every year.	08.09.2011 for enhanced rating of Rs.1419 crs) 2. M/s.CRISIL Ltd.- A-(SO) dt.27.5.2011.	
15	9.90% TANGEDCO Bond Series- 4/2011-12	21.11.2011	At the end of 8th year/ 30% 21.11.2019 30% 21.11.2020 40% 21.11.2021	Rs.153.50	Semi annually on 21st May and 21st November of every year	1. M/s.Brickwork Ratings India Pvt Ltd - BWR A(SO) dt.25.5.2011. 2. M/s.CRISIL Ltd.- A-(SO) dt.27.5.2011. 3.M/s.Brickwork Ratings India Pvt Ltd - BWR A(SO) dt.08.9.2011 for enhanced rating from Rs.1400 crs to Rs.1419 crs.	Unsecured
16	9.01% 15 Banks	03.04.2013	AT THE END OF 5TH YEAR - 2018	6353.49 Cr against 6382.68 Cr under FRP	Semi annually on 7th Oct and 7th April of every year	India Ratings & Research Pvt Ltd. IND A(SO) exp for Rs.6382.50 cr	Unsecured
17	8.66% 3 Banks SBI, UCO, Corpn Bank.	07.05.2013	AT THE END OF 5TH YEAR - 2018		Semi annually on 7th Nov and 7th May of every year	India Ratings & Research Pvt Ltd. IND A(SO) exp	Unsecured
18	8.41% Canara Bank	16.05.2013	AT THE END OF 5TH YEAR - 2018		Semi annually on 16th Nov and 16th May of every year	India Ratings & Research Pvt Ltd. IND A(SO) exp	Unsecured
19	8.41% City Union Bank	22.05.2013	AT THE END OF 5TH YEAR - 2018		Semi annually on 22nd Nov and 22nd May of every year	India Ratings & Research Pvt Ltd. IND A(SO) exp	Unsecured

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20	8.49% CBI, OBC	31.05.2013	AT THE END OF 5TH YEAR - 2018		Semi annually on 30th Nov and 31st May of every year	India Ratings & Research Pvt Ltd. IND A(SO) exp	Unsecured
21	8.53% Bank of Baroda	17.06.2013	AT THE END OF 5TH YEAR - 2018		Semi annually on 17th Nov and 17th June of every year	India Ratings & Research Pvt Ltd. IND A(SO) exp	Unsecured
22	8.79% ICICI Bank	24.06.2013	AT THE END OF 5TH YEAR - 2018		Semi annually on 24th Dec and 24th June of every year	India Ratings & Research Pvt Ltd. IND A(SO) exp	Unsecured
23	10.50% TANGEDCO Bond Series- 1/2013-14	10.2.2014	At the end of 7th year/ 30% 10.2.2022 30% 10.2.2023 40% 10.2.2024	Rs.633.50	Semi annually on 10 th August and 10 th February of every year	1. M/s.ICRA Ltd - [ICRA] A-(SO) dt.21.10.2013. 2. M/s.India Ratings & Research Pvt Ltd - A(SO) (exp) dt.24.10.2013	Unsecured
24	9.72% TANGEDCO Bond Series- 1/2014-15	16.7.2014	At the end of 7th year/ 30% 16.7.2022 30% 16.7.2023 40% 16.7.2024	Rs.1000.00	Semi annually on 16 th July and 16 th January of every year	1. M/s.ICRA Ltd - [ICRA] A-(SO) dt.14.10.2014. 2. M/s.India Ratings & Research Pvt Ltd - A(SO) (exp) dt.20.10.2014	Unsecured

(iv) LIST OF TOP 10 DEBENTURE HOLDERS (AS ON 30.09.2014)

NAME	Rs. (in Cr.)
State Bank of India	728.84
UCO Bank	658.29
Central Bank of India	529.26
Indian Bank	410.77
Indian Overseas Bank	385.49
Punjab National Bank	379.17
Canara Bank – Mumbai	353.18
Syndicate Bank	323.35
Corporation Bank	293.51
Vijaya Bank	221.18

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

“NOT APPLICABLE”

(vi) DETAILS OF COMMERCIAL PAPER:- THE TOTAL FACE VALUE OF COMMERCIAL PAPERS OUTSTANDING AS ON THE LATEST QUARTER END TO BE PROVIDED AND ITS BREAKUP IN FOLLOWING TABLE: “NOT APPLICABLE”

Maturity date	Amt outstanding
N.A	N.A

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

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

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

The Company hereby confirms that:

1. The Company has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default since inception.
2. The Company has neither defaulted in repayment/ redemption of any of its borrowings nor affected any kind of roll over against any of its borrowings in the past.

(ix) DETAILS OF ANY OUTSTANDING BORROWINGS TAKEN/ DEBT SECURITIES ISSUED WHERE TAKEN / ISSUED (I) FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, (II) AT A PREMIUM OR DISCOUNT, OR (III) IN PURSUANCE OF AN OPTION;

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

(H) DETAILS OF PROMOTERS OF THE COMPANY:-

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

Sl. No.	Name of the Shareholders	Total No. of Equity Shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares	No. of Shares Pledged	% of Shares pledged with respect to shares owned
1.	KANDASAMY SHANMUGAM / Principal Secretary to Govt., Finance Department.	49940				
2	KUMARASWAMY GNANADESIKAN / Chairman cum Managing Director/TANGEDCO	10				
3	S. ARULSAM Y / Director-Finance/TANGEDCO	10	NIL	0.00062%	NIL	NIL
4	P. ANNADURAI / Director-Distribution/TANGEDCO	10				
5	S. DEVARAJAN / Director-Generation/TANGEDCO	10				
6	M MANOHARAN / Chief Financial Controller/ Revenue/TANGEDCO	10				
7	P.S. GANESH / Chief Engineer/PPP.	10				
8	TNEB Ltd	9021374464		99.99938%		
	TOTAL	9021424464		100%		

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

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

Sch No.	Particulars	This year as at 31st March 2014		Previous year as at 31st March 2013		As at 31st March 2012	
		(Rupees in lakhs)					
	NET ASSETS						
19	Gross Block		326514 4		2752921		2508338
	Less: Accumulated Depreciation		977619		905613		843451
	NET FIXED ASSETS		228752 5		1847308		1664887
21	Capital Expenditure in Progress		107126 7		1177142		1027792
22	Assets not in use		-120		-120		-21
23	Deferred Costs		250		2		-49
24	Intangible Assets		-		-		-
25	Investments		164781		133465		98001
	NET CURRENT ASSETS						
26	Total Current Assets	24930318		1748560		1344233	
	Less: TOTAL CURRENT LIABILITIES						
27	Security Deposits from Consumers	694704		616637		564130	
28	Other Current Liabilities	2794002		2691397		2153879	
	TOTAL CURRENT LIABILITIES	348870 6		330803 4		271800 9	
	NET CURRENT ASSETS		995688		1559474		1373776
29	Subsidy Receivable from Govt.		-7131		-2392		13251
	Deficit		524655 1		3848048		2680141
	NET ASSETS		7767435		5443979		4110226
	FINANCED BY						
30	Borrowings for Working Capital		153007		158620		270932
31	Payments due on Capital Liabilities		48759		30312		63090
32	Capital Liabilities		593069 5		4031816		2959497
33	Funds from State Government		128085 0		945347		600638
34	Contributions Grants and Subsidies		163233		123119		91993
35	Reserves and Reserve Funds		190891		154765		124076
	Surplus		-		-		-
	TOTAL FUNDS		7767435		5443979		4110226

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

REVENUE ACCOUNT							
Sch. No.	Particulars	For the year 2013-14	For the year 2013-14	For the year 2012-13	For the year 2012-13	For the year 2011-12	For the year 2011-12
	UNITS SOLD (in MU)	70976		61,662		61,387	
	INCOME	(Rupees in lakhs)					
1	Revenue from Sale of power	2953639		2668882		2055559	
4	Revenue subsidies & Garants	498509		445723		207141	
5	Other Income	39128		32154		27138	
	Total Income "A"		3491276		3146759		2289838
	EXPENDITURE						
6	Purchase of power	3052930		2574083		2103451	
7	Generation of power	761387		661461		611007	
8	Repairs & Maintenance	53209		37966		31033	
9	Employee costs	462217		390351		398002	
10	Admin. & Gent. Expenses	26411		23742		21143	
11	Depreciation & other related debits	73107		65270		62006	
12	Interest and Finance charges	793378		550039		425227	
	Sub Total "B"		522639		4302911		3651869
	Less: Expenses capitalised:						
13	Interest & Finance charges capitalised	115400		103798		66419	
14	Other expenses capitalised	223573		55823		25134	
	Total expenses capitalised "C"		338973		159621		91553
	Sub Total (B) - (C)		4883666		4143291		3560316
15	Other Debits	2196		1155		3752	
16	Extra ordinary items	45	2241	105	1260	222	3974
	Total (D)		4885907		4144551		3564290
	Profit before Tax (A)-(D)		-1394630		-997792		-1274452
17	Provision for income tax		-		-		-
	Profit after tax		-1394630		-997792		-1274452
18	Net Prior period charges/Credit		3873		170115		57681
	SURPLUS/DEFICIT		-1398503		-1167907		-1332133

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

CASH FLOW STATEMENT			
Particulars	(Rupees in lakhs)		
	Period Ended		
	31.03.2014	31.03.2013	31.03.2012
I. Cash Flows From Operating Activities			
Net Profit before tax and Extraordinary items	-1398458.08	-1167801.74	-1331910.62
Adjustments For:			
Depreciation	73107.42	65269.52	62009.40
Interest Income	-11.08	-5.56	-4.64
(Profit) / Loss on Sale of Asset	0.00	0.00	-3.61
Interest Paid	793377.47	550039.03	425226.75
Extraordinary items:-			
Loss on account of flood, fire cyclone etc.,	-45.46	-105.55	-222.33
Operating Profit Before Working Capital changes	-532029.73	-552604.30	-844905.05
Change in Trade and Other receivables	-654189.62	-418692.15	-583152.00
Change in Inventories	65330.78	213.77	39407.42
Change in other Current Liabilities	72426.30	437042.38	837739.63
Income Taxes Paid	0.00	0.00	0.00
Net Cash Flow From Operating Activities (A)	-1048462.31	-534040.30	-550910.00
II. Cash Flow from Investing Activities			
Purchase/sale of Fixed Assets	-518271.79	-399240.82	-551226.68
Deferred Revenue Expenditure	-247.72	-51.43	58.35
Investment in Shares	-31316.34	-35464.23	-26930.00
Interest Income	11.08	5.56	4.64
Sale of Fixed Assets	110809.62	2287.69	19653.02
Net Cash flow used in Investing Activities (B)	-439015.15	-432463.23	-558440.67
III. Cash Flow from Financing Activities			
Changes in Borrowings	2027960.83	1234617.75	1225888.28
Share Capital raised	198403.00	190209.00	201341.18
Reserves & Surplus	76240.52	61815.68	97777.34
Interest Paid	793377.47	-550039.03	-425226.75

Net Cash Flow From Financing Activities (C)	1509226.88	936603.40	1099780.05
Net Increase/(Decrease) in Cash and Cash Equivalents [D = (A+B+C)]	21749.42	-29900.13	-9570.62
Opening Balance of Cash & Cash Equivalents (E)	32589.67	62489.83	72060.45
Closing Balance of Cash & Cash Equivalents [F = (D+E)]	54339.09	32589.70	62489.83
<i># the cashflow has been prepared with the during the year transactions from</i>			
<i>1st April 2012 to 31st MARCH 2014</i>			

*** AUDITOR QUALIFICATIONS**

Financial Year	Auditors' Qualifications
2013-14	NIL
2012-13	NIL
2011-12	NIL

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

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

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

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

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

DEBENTURE TRUSTEE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Q) OTHER DETAILS:

i. **DRR CREATION** –The Company shall create a Debenture Redemption Reserve for the purpose of redemption of Debentures/Bonds, as applicable, in accordance with the provisions stated in the Companies Act 2013 read with the Companies (Share Capital and Debentures) Rules, 2014.

ii. **ISSUE/INSTRUMENT SPECIFIC REGULATIONS - RELEVANT DETAILS (COMPANIES ACT, RBI GUIDELINES, ETC).**

1. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012) and CIR/IMD/DF/18/2013 DATED OCTOBER 29, 2013 and The Securities and Exchange Board of India (Issue and Listing of Debt Securities) (amendment) regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and section 42 of the companies act, 2013 and the companies (prospectus and allotment of securities) rules, 2014.
2. The Companies Act, 2013 to that extend applicable and notified.
3. The Companies Act, 1956 provisions to the extent not replaced by notifications w.r.t Act of 2013 (18 of 2013)
4. Income Tax Act, 1961 & Income Tax Rules, 1962,
5. Indian Trust Act, 1882
6. Companies (Share Capital and Debentures) Rules, 2014.

iii. **APPLICATION PROCESS.**

WHO CAN APPLY

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

1. Applications by QUALIFIED INSTITUTIONAL BUYERS (“QIBS”):

- a. Mutual Funds,
- b. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;
- c. Scheduled Commercial Banks;
- d. State Industrial Development Corporations;

- e. Insurance Companies registered with the Insurance Regulatory and Development Authority;
- f. Provident Funds and Pension Funds with minimum corpus of Rs. 25.00 crore;
- g. National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- h. Insurance funds set up and managed by army, navy or air force of the Union of India.

2. Applications by “NON - QIBS”:

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

However, out of the aforesaid class of investors eligible to invest, Disclosure Document and FORM PAS-4 is intended solely for the use of the person to whom it has been sent by TANGEDCO (The “ISSUER”) for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Information Memorandum and FORM PAS-4 from TANGEDCO (The “ISSUER”).

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

WHO CAN NOT APPLY

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

*** APPLICATION BY VARIOUS APPLICANT CATEGORIES ***

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 organizations 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.

APPLICATIONS UNDER POWER OF ATTORNEY

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

APPLICATION BY PROVIDENT FUNDS, SUPERANNUATION FUNDS, GRATUITY FUNDS & PENSION FUNDS

As per MINISTRY OF LABOUR AND EMPLOYMENT NOTIFICATION New Delhi, the 21st November, 2013 S.O. 3450(E).— In exercise of the powers conferred by sub-paragraph (1) of paragraph 52 of the Employees' Provident Funds Scheme, 1952 and in supersession of the notification of the Government of India in the Ministry of Labour No. S.O. 2125 dated the 9th July, 2003 the Central Government hereby directs that all incremental accretions belonging to the Fund shall be invested in accordance with the following pattern namely:—

S. No.	Investment Pattern	Percentage amount to be invested
(i)	(a) Government securities I (b) Other securities II , the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government except those covered under (ii) (a) below. (c) Units of mutual funds set up as dedicated funds for investment in Government securities and regulated by the Securities and Exchange Board of India; Provided that the exposure to a mutual fund shall not be more than 5% of the total portfolio at any point of time.	Upto 55%
(ii)	Debt securities with maturity of not less than three years tenure issued by Bodies Corporate including banks and public financial institutions III Provided that at least 75% of the investment in this category is made in instruments having an investment grade rating from at least one credit agency. (b) Term Deposit Receipts of not less than one year duration issued by scheduled commercial banks. Provided that the scheduled commercial banks must meet conditions of ; (i) Continuous profitability for immediately preceding three years ; (ii) Maintaining a minimum Capital to Risk Weighted Assets Ratio of 9%; (iii) Having net non-performing assets of not more than 2% of the net advances; (iv) Having a minimum net worth of not less than Rs. 200 crores. (c) Rupee Bonds having an outstanding maturity of at least 3 years issued by Institutions of the International Bank for Reconstruction and Development, International Finance Corporation and the Asian Development Bank.	Upto 55%

The Government of India has, vide its Gazette notification dated 06.03.2003, in partial modification of notification no. F.11 (3-PD/98) dated March 31, 1999 has permitted Provident, Superannuation Funds, Gratuity Funds & Pension Funds to invest up to 30% of incremental accretions in the bonds/securities of "public sector companies" as defined under Section 2 (36-A) of the Income Tax Act, 1961. TANGEDCO is a

“Public Sector Company” within the meaning of the said notification as more than 51% of the paid up share capital is held by Government of Tamil Nadu. The bond issue has the additional credit enhancement of an unconditional and irrevocable guarantee from the Government of Tamil Nadu for the repayment of the principal and for the payment of the interest.

As per Notification dated July 9, 2003 issued by Ministry of Labour/ Shram Mantralaya, Government of India, in exercise of the powers conferred by sub-paragraph (1) of paragraph 52 of the Employees’ Provident Funds Scheme, 1952 and in Supersession of the Notification of the Government of India in the Ministry of Labour No.S.O. 1398 dated the 11th July 1998 the Central Government directed funds to invest incremental accretions in these avenues as under:

- **15%:** under category (ii) (b), the Bonds being fully and unconditionally guaranteed by the State Government of Tamil Nadu for payment of interest and repayment of principal.
- **30%:** under category (iii) (a), Bonds of Public Sector Companies’ as defined in Section 2(36-A) of the Income Tax Act, 1961.
- **30%:** under category (iv), for investment at the discretion of the Trustees in the above categories.

The applications must be accompanied by certified true copies of (i) Trust Deed/Bye Laws/Resolutions, (ii) Resolution authorizing investment and (iii) specimen signatures of the authorized signatories. Those desirous of claiming tax exemptions on interest on application money are compulsorily required to submit a certificate issued by the Income Tax Officer along with the Application Form. Otherwise Tax Deduction at Source shall be made as per applicable regulations/ laws. For subsequent interest payments, such certificates have to be submitted periodically.

RETIREMENT FUNDS FOLLOWING MINISTRY OF FINANCE GUIDELINES

As per the latest notification issued by the Ministry of Finance vide its Notification No- 5 (88)/2006 -PR. dated 14th August, 2008 thereby effecting partial modification in the Notification No. 5(53)/2002-ECB & PR dated 24th January, 2005, the pattern of investment to be followed by Non-Government Provident Funds, Superannuation Funds and Gratuity Funds shall be as follows, effective from 1st April, 2009:

Upto 55%: in Government Securities the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government

OR

Upto 40%: in Debt securities with maturity of not less than three years tenure issued by Bodies Corporate including banks and public financial institutions(Public Financial Institutions’ as specified under Section 4A of the Companies Act, 1956.)

Enclosure required: The application must be accompanied by certified true copies of (i) Certificate of registration, if registered (ii) Power of Attorney granted to transact business on its behalf (iii) Any official valid document to identify the trustees, selectors, beneficiaries and those holding Power of Attorney, founders/managers/ foundation/ association (v) Telephone bill and (iv) PAN (otherwise exemption certificate issued by IT authorities).

APPLICATION BY NON-BANKING FINANCE COMPANIES (NBFCs)/ RESIDUARY NON-BANKING FINANCE

Companies (RNBFC’s) As per Circular No. DFC (COC) No. 2/02.04/96-97 dated July 24, 1996 issued by the Reserve Bank of India, NBFCs and RNBFCs are required to invest, inter alia, up to 10% of their Deposits in Government Guaranteed Bonds to meet their liquidity requirements. The Reserve Bank of India has vided its Circular No: DFC.121/ED/ (G)-98 dated January 31, 1998 has specified that NBFCs are required to maintain liquid assets of 15.00% on and from April, 26 1999. The applications must be accompanied by certified true copies of (I) Memorandum and Articles of Association (ii) Power of Attorney (iii) resolution authorizing investment and containing operating instructions (iv) specimen signatures of authorized

signatories. Application by Insurance Companies As per Circular No. 32(I)/INVT/93 dated September 20, 1994 issued by Insurance Division, Department of Economic Affairs, Ministry of Finance, Government of India; Insurance companies are required to invest up to 10% of their net surplus funds in State Government Securities or Government Guaranteed bonds.

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association/ Other documents governing the constitution (ii) Power of Attorney (iii) resolution authorizing investment and containing operating instructions and (iv) Specimen signatures of authorized signatories.

APPLICATION BY INSURANCE COMPANIES

As per IRDA Circular F.No.IRDA/Reg./5/47/2008 dated August 30, 2008 insurance Companies can invest in these State Government guaranteed bonds within the meaning of Section 27A of Insurance Act' 1938 and as per investment policy approved by the Board of Directors/ Investment Committee.

The application must be accompanied by certified true copies of (i) Certificate of Information and Memorandum & Articles of Association (ii) Resolution of the Board of Directors and Identification of those who have authority to operate (iii) Power of Attorney granted to its managers, officers or employee to transact on its behalf (iv) Copy of PAN allotment letter and (v) copy of the Telephone bill.

APPLICATIONS BY COMPANIES/ BODIES CORPORATE/ FINANCIAL INSTITUTIONS/ STATUTORY CORPORATIONS

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Associations / Constitution / Bye-Law(s) (ii) certified true copy of the resolution authorizing investment and containing operating instructions (iii) specimen signatures of authorized signatories and (iv) relevant certificate(s) in the prescribed form(s) under Income Tax Rules, 1962, if exemption is sought from deduction of tax at source on interest income.

APPLICATION BY REGIONAL RURAL BANKS

The Reserve Bank of India has permitted, vide its circular no. RPCD.RRB.BC. 882/03.05.34/ 96-97 dated December 13, 1996, the RRBs to invest their non-SLR surplus resources in bonds of public sector undertakings. The RBI has vide circular no. RPCD (H)/04.03.06/98-99 dated November 02, 1998 clarified that single exposure norms would be applicable in respect of investment in debentures and bonds of public sector undertakings.

The application must be accompanied by certified true copies of (i) Government notification/ Certificate of In / Memorandum and Articles of Association/ other documents governing the constitution (ii) resolution authorizing investment and containing operating instructions (iii) specimen signatures of authorized signatories (iv) Form 15H for claiming exemption from deduction of tax at source on income from interest on application money and (v) Form 15AA for claiming exemption from deduction of tax at source on the interest income.

APPLICATION BY CO-OPERATIVE BANKS

All cooperative banks including primary urban cooperative banks can invest in these bonds to the extent permissible under applicable Reserve Bank of India notification in force from time to time. The applications must be accompanied by certified true copies of (i) Government Notification/ Certificate of Registration/ Other documents governing constitution (ii) resolution authorizing investment and containing operating instructions (iii) specimen signatures of authorized signatories and (iv) Recognition certificate from Income Tax Department.

APPLICATION BY COMMERCIAL BANKS/ MUTUAL FUNDS

The Reserve Bank of India vide its Circular DBOD No.DIR: BC.4/13.7.05/94 dated 25th January 1994 to all scheduled commercial banks, has withdrawn the ceiling of 5 % of incremental deposits of the previous year for investments in equity shares and debentures of Public Sector Undertakings. The Reserve Bank of India has vide its Circular No.DP.BD.3221.01.018/98 dated April 29, 1998 clarified that investment in bonds and debentures where payment of interest and principal is guaranteed by the Central/State Government shall carry zero risk weight for the purpose of capital adequacy. The Reserve Bank of India has however, vide Circular No. MPD- BC 181/07.01. 279 /98-99 dated 30.10.1998 introduced a 2.5% risk weight on Central/State Government securities and in securities guaranteed by them by the year ending March 2000. Further, an additional risk weight of 20% is introduced in the Government guaranteed securities of Government undertakings with effect from financial year 2000-01. the application must be accompanied by certified true copies of 1} Certificate of Incorporation, Memorandum & Articles of Association, 2} Power of Attorney 3} Resolution authorizing investment and containing operating instruction 4} SEBI registration certificate where ever applicable 5} Specimen signature of authorized signatories.

APPLICATION BY CHARITABLE/ RELIGIOUS TRUST

The payment of interest and principal repayments on the bonds being guaranteed by Government of Tamil Nadu, these bonds fall within section 20(a) of the Indian Trust Act, 1882 and hence are considered as eligible investment for Trusts which are registered under the said Act. Other trusts, whose trust deeds provide for Investments in the Bonds may also apply to this issue of Bonds, subject to the approval of the Charity Commissioner or other appropriate authority, as the case may be investments in these bonds will qualify as eligible investments under section 11(5) of the Income Tax Act, 1961.

The application must be accompanied by certified true copies of 1} Trust Deed/bye laws 2} Certificate of Registration 3} Resolution authorizing investment and containing operating instruction 4} Specimen signature of authorized signatories 5} Relevant certificates in the prescribed form (s) under Income Tax Rules, 1962, if exemption is sought from deduction of tax at source on interest income.

APPLICATION BY PORT TRUSTS

As per section 88 of the Major Port Trusts Act, 1963 the bonds being guaranteed by the Government of Tamil Nadu are categorized as public security for the purpose of investments by Port Trusts.

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 and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

SUBMISSION OF DOCUMENTS

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

- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- Government notification/ Certificate of incorporation(in case of Primary Co-operative Bank and RRBs);
- SEBI Registration Certificate, if applicable;
- Board Resolution authorizing investment along with operating instructions;
- Power of Attorney/ relevant resolution/ authority to make application;

- Form 15AA granting exemption from TDS on interest, if any;
- Form 15G/ 15H for claiming exemption from TDS on interest on application money, if any;
- Order u/s197 of Income Tax Act, 1961;
- Order u/s10 of Income Tax Act, 1961;
- Copy of Permanent Account Number Card ("PAN Card") issued by the Income Tax Department;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority.

(R) PROCEDURE FOR APPLYING FOR DEMAT FACILITY

1. The applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL/ CDSL prior to making the application.
2. The applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID appearing in the Application Form under the heading 'Details for Issue of Bonds in Electronic/ Dematerialized Form'.)
3. Bonds allotted to an applicant will be credited directly to the applicant's respective Beneficiary Account(s) with the DP.
4. For subscribing the Bonds names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders the names should necessarily be in the same sequence as they appear in the account details in the depository.
5. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrars to the Issue.
6. If incomplete/incorrect details are given under the heading 'Details for Issue of Bonds in Electronic/ Dematerialized Form' in the application form it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
7. For allotment of Bonds the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient the Issuer would not be liable for losses, if any.
8. It may be noted that Bonds will be issued in electronic form. The same can be traded only on the Stock Exchanges having electronic connectivity with NSDL/ CDSL. The BSE Ltd, where the Bonds of the TANGEDCO are proposed to be listed has connectivity with NSDL/ CDSL.
9. Payment of interest or repayment of principal would be made to those Bond holders whose names appear on the list of beneficial owners given by the Depositories to the Issuer as on Record Date/ Book Closure Date. In case of those Bond for which the beneficial owner is not identified by the Depository as on the Record Date/ Book Closure Date, the issuer would keep in abeyance the payment of interest or repayment of principal, till such time that the beneficial owner is identified by the Depository and conveyed to the Issuer, whereupon the interest or principal would be paid to the beneficiaries, as identified, within a period of 30 (thirty) days.
10. The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form and after due verification, allotment advice/ refund order, if any, would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the Bonds to the applicants Depository Account will be provided to the applicant by the Depository Participant of the applicant.

(S) HOW TO APPLY:

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

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

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

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

2. Cash, Money Orders, Postal Orders shall not be accepted. The Issuer assumes no responsibility for any applications lost in mail. The entire amount of Rs.10 lakhs per Bond is payable on application.
3. All Application Forms duly completed (along with all necessary documents as detailed in this Disclosure Document) must be delivered before the closing of the issue to the Arranger(s) to the Issue. While forwarding the application form, applicants must ensure that the relevant UTR number/ or any other evidence of having remitted the application money is obtained. Detailed instructions for filling up the application form are provided elsewhere in this Disclosure Document.
4. Applications for the Bonds must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English and as per the instructions contained therein. Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the prescribed manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.
5. The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. if the investor does not submit Form 15G/15AA/other evidence, as the case may be for non-deduction of tax at source. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention "Applied for" and in case the applicant is not assessed to income tax, the applicant shall mention 'Not Applicable' (stating reasons for non applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.

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

***INVESTOR GRIEVANCE AND REDRESSAL SYSTEMS**

Arrangements have been made to redress investor grievances expeditiously as far as possible, the Issuer endeavors to resolve the investor’s grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Bonds applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at registered office of the Issuer. All investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contracted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Disclosure Document.

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

(T) TERM SHEET:

ISSUE DETAILS

Security Name	9.20% TANGEDCO Bond Series-2/2014-15
Issuer	TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED (“TANGEDCO”/ “THE ISSUER”).
Type of Instrument	State Government Guaranteed, Unsecured, Rated, Listed, Redeemable, Non Convertible Taxable Bonds.
Nature of Instrument	Unsecured
Seniority	N.A.
Mode of Issue	Private Placement
Eligible Investors	<p>1. QUALIFIED INSTITUTIONAL BUYERS (“QIBS”):</p> <p>a. Mutual Funds, b. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013; c. Scheduled Commercial Banks; d. State Industrial Development Corporations; e. Insurance Companies registered with the Insurance Regulatory and Development Authority;</p>

	<p>f. Provident Funds and Pension Funds with minimum corpus of Rs. 25.00 crore;</p> <p>g. National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</p> <p>h. Insurance funds set up and managed by army, navy or air force of the Union of India.</p> <p>2. NON - QIBS:</p> <p>a. Companies and Bodies Corporate authorized to invest in bonds/ debentures;</p> <p>b. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/ debentures;</p> <p>c. Gratuity Funds and Superannuation Funds;</p> <p>d. Provident Funds and Pension Funds with corpus of less than Rs. 25.00 crore;</p> <p>e. Societies authorized to invest in bonds/ debentures;</p> <p>f. Trusts authorized to invest in bonds/ debentures;</p> <p>g. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures;</p>
Non- Eligible classes of investors	<p>1. Minors without a guardian name (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);</p> <p>2. Non-resident investors being an individual including NRIs, QFIs (Individual), and FPIs (individual);</p> <p>3. Venture Capital Fund and Foreign Venture Capital Investor;</p> <p>4. Overseas Corporate Bodies; and</p> <p>5. Person ineligible to contract under applicable statutory/regulatory requirements.</p> <p>6. Resident Individual Investors;</p> <p>7. Hindu Undivided Families;</p>
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	Proposed on the Wholesale Debt Market (WDM) Segment of the BSE Limited ("BSE").
Rating of the Instrument	Conditional ICRA "A- (SO)" by ICRA Ltd and "IND A (SO) (exp)" by India Rating & Research Pvt Ltd.
Issue Size	Rs. 500 Crores
Green Shoe Option to retain oversubscription (Amount)	Rs. 500 Crores
Objects of the Issue	To meet the capital expenditure of TANGEDCO
Details of the utilization of the Proceeds	Proceeds of the issue will be utilized to meet the object of the issue.
Coupon Rate	9.20% p.a
Step Up/Step Down Coupon Rate	None
Coupon Payment Frequency	Semi Annually
Coupon payment dates	Half yearly every year starting from the end of the six months from deemed date of allotment (<i>Refer disclosure of cash flows as per SEBI Circular No: CIR/IMD/DF/18/2013 dated October 29, 2013</i>) mentioned elsewhere in this Disclosure Document.

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Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	None
Day Count Basis	Actual/ Actual (as per SEBI Circular no CIR/IMD/DF/18/2013 dated 29th Oct 2013)
Interest on Application Money	In respect of Investors to whom Bonds are Allotted in the Issue, interest on Application Money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) on the aggregate face value amount of Bonds for the period starting from and including the date of realization of Application Money in Issuer's Bank Account up to but excluding the Deemed Date of Allotment. Such interest on Application Money shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment.
Interest on Refunded Money against which Allotment is not made	In respect of applications, which are valid but rejected on account of oversubscription, interest on refunded money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) (excluding the valid rejections) for the period starting from and including the date of realization of Application Money in Issuer's Bank Account up to but excluding the Deemed Date of Allotment. The refund amounts together with interest thereon shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment.
Tenor	10 Years
Redemption Date	1. At par 30% at end of 8 th year from deemed date of allotment. 2. At par 30% at end of 9 th year from deemed date of allotment. 3. At par 40% at end of 10 th year from deemed date of allotment.
Redemption Amount	At Par
Redemption Premium /Discount	None
Issue Premium /Discount	None
Bond Series	Series 2/ 2014-15
Issue Price	Rs. 10, 00,000/- (Rupees Ten Lakhs) per Bond.
Face Value	Rs. 10, 00,000/- (Rupees Ten Lakhs) per Bond.
Discount at which security is issued and the effective yield as a result of such discount.	None
Put option Date	7 Years from Deemed date of allotment
Put option Price	At Par
Call Option Date	7 Years from Deemed date of allotment
Call Option Price	At Par
Put Notification Time	15 days before the put option date
Call Notification Time	15 days before the call option date
Minimum Application and in multiples of Debt securities thereafter	Minimum application is of 1 bond of face value of Rs. 10 lakhs and in multiple of 1 bond thereafter

Basis of Allotment (if any)	The issuer reserves the right to reject any/all applications fully or partially at its sole discretion, without assigning any reason whatsoever.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ RTGS/ Fund Transfer/ NECS/ NEFT or any other electronic mode offered by the Banks.
Business Day Convention	<p>1. If any Coupon Payment Date falls on a day that is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in Tamilnadu), the payment shall be made by the Issuer on the next working Business Day along with interest for such additional period.</p> <p><i>Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date.</i></p> <p>2. If the Redemption Date and Coupon Payment Date of the Bonds falls together on a day that is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in Tamilnadu), the redemption proceeds shall be paid by the Issuer on previous working Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p>
Record Date	<p>15 days prior to each Coupon Payment Date and Put/ Call Option Due Date and Redemption Date.</p> <p>In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.</p>
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Security (where applicable)	The Bonds are guaranteed unconditionally and irrevocably by the State Government (Government of Tamilnadu) as to the repayment of principal together with interest and other charges thereon on the Bonds, till the principal is redeemed fully from the date of issue of Bonds.
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Bondholders; 2. Debenture Trusteeship Agreement; 3. Debenture/Bond Trust Deed; 4. Rating letter from ICRA Limited; 5. Rating letter from India Rating & Research Pvt Ltd; 6. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 7. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 8. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar; 9. Application made to BSE Limited for seeking their in-

	<p>principle approval for listing of Bonds; 10. Listing Agreement with BSE Limited; 11. Letters appointing Arrangers to the Issue.</p>
Conditions Precedent to Disbursement	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> 1. Rating letter(s) from the aforesaid rating agencies not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 3. Application to BSE for seeking its in-principle approval for listing of Bonds.
Condition Subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Disclosure Document:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment; 2. Making listing application to BSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds in pursuance of SEBI Debt Regulations; 3. Executing the Bond/ Debenture Trust Deed/ Deed of Hypothecation and/or other security document(s) for creation of security within time frame prescribed in the relevant regulations/ act/ rules etc and submit with BSE within 5 working days of execution of the same for uploading on its website in pursuance of SEBI Debt Regulations. <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.</p>
Events of Default	<p>If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an "Event of Default" by the Issuer.</p>
Remedies	<p>Upon the occurrence of any of the Events of Default, the Trustees shall on instructions from majority Bondholder(s), declare the amounts outstanding to be due and payable forthwith and the security created under the security documents shall become enforceable, and the Trustees shall have the right to enforce any security created pursuant to the security documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustees may deem fit under the applicable laws.</p>
Additional Covenants	<ol style="list-style-type: none"> 1. <u>Default in payment:</u> In case of default in payment of interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the Coupon Rate will be payable by the Organization for the defaulting period. 2. <u>Delay in Listing:</u> In case of delay in listing of the debt securities beyond 20 days from the Deemed Date of Allotment, the Organization will pay penal interest of at least 1% p.a. over the coupon rate from the expiry of 30 days from the Deemed Date of

	<p>Allotment till the listing of such debt securities to the investor.</p> <p>3. On the happening of any of the event of default, in addition to the rights specified above, the Bond Holders/Bond Trustees shall have the right as indicated in the SEBI Regulations/ Company Act 2013 from time to time.</p>
Provisions related to Cross Default Clause	Not Applicable
Role and Responsibilities of Debenture Trustee	<p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the Trust Reposed in the Trustees by the Holder(s) of the Bonds and shall further conduct itself and complied with the provisions of all applicable laws provided that, the provisions of Sec. 20 of the Indian Trusts Act, 1882 shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of Companies Act 2013, SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees), Regulations, 1993, the Bond/Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents with due care, diligence and loyalty.</p> <p>The Trustees shall be vested with the requisite powers for protecting the interest of Holder(s) of the Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Bonds. The Issuer shall, till the redemption of Bonds, submit its latest audited/limited review half yearly consolidated (wherever available) and stand alone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and Audited Qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide Circular No. SEBI/IMD/BOND/1/2009/11/05 dt.May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the Financial Year submit a copy of the latest Annual Report to the Trustees and the Trustees shall be obliged to share the details so submitted with all Bond Holder(s) within two working days of their specific request.</p>
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of District Courts of Chennai
Trustees	SBICAP TRUSTEE COMPANY LTD
Registrar	INTEGRATED ENTERPRISES (INDIA) LIMITED
ISSUE SCHEDULE:	
Issue Opening Date	30 th October 2014
Issue Closing Date	11 th December 2014
Pay-in Date	30 th October 2014 to 11 th December 2014
Deemed Date of Allotment	31 st December 2014
Payment Mode	The remittance of application money can be made by cheque/Demand Draft or through Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:

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

** Subject to deduction of Tax at source as applicable*

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

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

Company	TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED ("TANGEDCO" / "THE ISSUER")
Tenure	10 Years
Face Value (per security)	Rs. 10,00,000/- per bond (Rs. Ten Lakh only)
Deemed Date of Allotment	31 st December 2014
Redemption	1. 30% at the end of 8 th year 2. 30% at the end of 9 th year 3. 40% at the end of 10 th year
Coupon Rate	9.20% p.a (payable semi annually) from the date of allotment
Frequency of the interest payment with specified dates	First interest payment on 1 st July 2015 and subsequently on 31 st December and 1 st July; semi annually till maturity
Day count Convention	Actual/Actual

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
1st Coupon	Wednesday, 1 July, 2015	182	45,874
2nd Coupon	Thursday, 31 December, 2015	183	46,126
3rd Coupon	Friday, 1 July, 2016	183	46,000
4th Coupon	Saturday, 31 December, 2016	183	46,000
5th Coupon	Saturday, 1 July, 2017	182	45,874
6th Coupon	Monday, 1 January, 2018	184	46,378
7th Coupon	Monday, 2 July, 2018	182	45,874
8th Coupon	Monday, 31 December, 2018	182	45,874
9th Coupon	Monday, 1 July, 2019	182	45,874
10th Coupon	Tuesday, 31 December, 2019	183	46,126
11th Coupon	Wednesday, 1 July, 2020	183	46,000
12th Coupon	Thursday, 31 December, 2020	183	46,000
13th Coupon	Thursday, 1 July, 2021	182	45,874
14th Coupon	Friday, 31 December, 2021	183	46,126
15th Coupon	Friday, 1 July, 2022	182	45,874
16th Coupon	Saturday, 31 December, 2022	183	46,126
Principal 30%	Saturday, 31 December, 2022		300,000
17th Coupon	Saturday, 1 July, 2023	182	32,112
18th Coupon	Saturday, 30 December, 2023	182	32,112
Principal 30%	Saturday, 30 December, 2023		300,000
19th Coupon	Monday, 1 July, 2024	184	18,501
20th Coupon	Tuesday, 31 December, 2024	183	18,400
Principal 40%	Tuesday, 31 December, 2024		400,000
TOTAL			1,837,124

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

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

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

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

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

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

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

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

ISSUE SIZE

The Issuer proposes to raise Rs 500 Crores (Rupees Five Hundred Crores Only) plus green shoe option of Rs 500 Crores (Rupees Five Hundred Crores only).

PRESENT ISSUE

TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED [TANGEDCO] (hereinafter referred to as the 'Company'/'Issuer') proposes to raise State Government Guaranteed, Unsecured, Rated, Listed, Redeemable, Non Convertible Taxable Bonds of Rs. 10.00 Lacs each for cash at par aggregating to Rs 500 Crores (Rupees Five Hundred Crores Only) plus green shoe option of Rs 500 Crores (Rupees Five Hundred Crores only) under Private Placement basis "Series-2/2014-15".

NATURE OF INSTRUMENT

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

FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTOR

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

MINIMUM APPLICATION

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

LISTING

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

SECURITY

The Bonds shall be unsecured in nature.

OBJECTS OF THE PLACEMENT

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

UTILIZATION OF THE ISSUE PROCEEDS

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

ELIGIBILITY TO COME OUT WITH THE ISSUE

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

REGISTRATION AND GOVERNMENT APPROVALS

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

AUTHORITY FOR THE ISSUE

The present placement of Bonds is being made pursuant to the resolution passed by the Board of Directors of the company at its meeting held on 20th October 2014 and Shareholders of the Company at its meeting held on 06th May 2014.

UNDERWRITING

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

GUARANTEE

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

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

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

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

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

TERMS AND CONDITIONS OF THE ISSUE

This is a confidential Disclosure Document setting out the terms and conditions pertaining to issue of State Government Guaranteed, Unsecured, Rated, Listed, Redeemable, Non Convertible Taxable Bonds of Rs. 10.00 Lacs each for cash at par aggregating to aggregating to Rs 500 Crores (Rupees Five Hundred Crores Only) plus green shoe option of Rs 500 Crores (Rupees Five Hundred Crores only) under Private Placement basis to be issued by **TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED**. [TANGEDCO] (hereinafter referred to as the 'Company'/'Issuer')). Your participation is subject to the completion and submission of Application Form along with application money and acceptance of the offer by the Company.

TERMS OF PAYMENT

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

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

DEEMED DATE OF ALLOTMENT

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

MINIMUM SUBSCRIPTION

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

BASIS OF ALLOCATION / ALLOTMENT

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

MARKET LOT

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

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

TRADING OF BONDS

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

INTEREST ON APPLICATION MONEY

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

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

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

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

INTEREST ON THE BONDS

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

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

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

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

PAYMENT OF INTEREST/ PRINCIPAL

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

COMPUTATION OF INTEREST

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

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

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

- (a) If the coupon payment date(s) falls on a Sunday or a holiday, the coupon payment shall be made on the next working day.*
- (b) If the maturity date and interest payment date falls together on a holiday, redemption and accrued interest payment will be made on the previous working day.*

RECORD DATE

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

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

PUT & CALL OPTION

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

A. PROCEDURE FOR EXERCISE OF PUT OPTION:

The Bondholders shall have the right to "Put" the Bonds i.e. get them redeemed, at par, prior to maturity, on 31st December 2021. For availing of this facility, the Bondholders should forward a request in writing to the Company at least 15 days prior to the respective Put Option Due Date.

B. PROCEDURE FOR EXERCISE OF CALL OPTION:

The Company shall have the right to "Call" the Bonds i.e. redeem the Bonds in whole and not in part, at par, prior to maturity, on 31st December 2021. In case of exercise of "Call Option" by the Company, it shall notify its intention to do so through a public notice in at least in one English Newspaper circulating in whole or substantially the whole of India and one the Hindi daily newspaper and/ or through notice sent by registered post/ courier to the sole/ first allottee or sole/ first beneficial owner of the Bonds at least 15 days prior to the respective Call Option Due Date at their registered addresses.

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

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

The Bonds shall be taken as discharged on payment of the redemption amount by the Company on exercise of "Put/ Call Option" to the list of beneficial owners as provided by Depository to the Company as on the Record

Date. Such payment will be a legal discharge of the liability of the Issuer towards the bondholders. On such payment being made, Company will inform depositories/ Depository Participant and accordingly the account of the Bondholders with Depositories/ Depository Participant will be adjusted.

REDEMPTION

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

Redemption will be as follows:

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

PAYMENT ON REDEMPTION

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

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

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

DEPOSITORY ARRANGEMENTS

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

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

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

LIST OF BENEFICIAL OWNERS

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

LETTER OF ALLOTMENT AND BOND CERTIFICATE

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

ISSUE OF BOND CERTIFICATE(S)

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

DISPATCH OF REFUND ORDERS

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

JOINT-HOLDERS

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

SHARING OF INFORMATION

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

MODE OF TRANSFER OF BONDS

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

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

SUCCESSION

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Company shall recognize the executor or administrator of the deceased Bond holder, or the holder of succession certificate or other legal representative as having title to the Bond(s). The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having

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

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

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

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

RIGHT TO ACCEPT OR REJECT APPLICATIONS

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

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

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

FICTITIOUS APPLICATIONS

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

“Any person who—

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

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

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

Shall be liable for action under section 447.”

FUTURE BORROWINGS

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

RIGHTS OF BOND HOLDER(S)

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

MODIFICATION OF RIGHTS

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

BONDHOLDER NOT A SHAREHOLDER

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

NOTICES

All notices required to be given by the Issuer or by the Trustees to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first allottees of the Bonds and/ or if published in one All India English daily newspaper and one regional language newspaper.

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

EVENT OF DEFAULT

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

ADDITIONAL COVENANTS

1. DEFAULT IN PAYMENT:

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

2. DELAY IN LISTING:

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

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

PAN/GIR NUMBER

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

TAX DEDUCTION AT SOURCE

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

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

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

TAX BENEFITS TO THE BOND HOLDERS OF THE COMPANY

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

SIGNATURES

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

ACKNOWLEDGEMENTS

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

DISPUTES & GOVERNING LAW

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

FORCE MAJEURE

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

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

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

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

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

A. MATERIAL CONTRACTS:

- a. Copy of letter appointing Registrar and Transfer Agents and copy of Agreement entered into between the Company and the Registrar.
- b. Copy of letters appointing Arranger(s) to the Issue
- c. Copy of letter appointing Trustees to the Bondholders.

B. DOCUMENTS:

- a. Memorandum and Articles of Association of the Company as amended from time to time.
- b. Board Resolution dated 20th October 2014 and Shareholders Resolution dated 06th May 2014 authorizing issue of Bonds offered under terms of this Disclosure Document.
- c. Letter of consent from the **SBICAP Trustee Company Ltd** for acting as trustees for and on behalf of the holder(s) of the Bonds.
- d. Letter of consent from the **Integrated Enterprises (India) Limited** for acting as Registrars to the Issue.
- e. Application made to the **BSE** for grant of in-principle approval for listing of Bonds.
- f. Letter from **India Rating & Research Pvt Ltd.** and **ICRA Limited** conveying the credit rating for the Bonds.
- g. Tripartite Agreement between the Issuer, NSDL and Registrars for issue of Bonds in dematerialised form.
- h. Tripartite Agreement between the Issuer, CDSL and Registrars for issue of Bonds in dematerialized form.
- i. Government Guarantee letter(s)

(X) FORM NO. PAS - 4

FORM NO. PAS - 4

PRIVATE PLACEMENT OFFER LETTER

[Pursuant to section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014]



TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED
(TANGEDCO)

(Government of Tamil Nadu Undertaking)

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

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

1. GENERAL INFORMATION

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

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

b. Date of incorporation of the company : 01.12.2009

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

Please refer page number 10 of this Information Memorandum.

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

d. Brief particulars of the management of the company;

Please refer page number 19 of this Information Memorandum.

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

Please refer page number 18 of this Information Memorandum.

f. Management's perception of risk factors; NIL

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

- i) statutory dues: **NO default**
- ii) debentures and interest thereon: **NO default**
- iii) deposits and interest thereon: **NO default**
- iv) Loan from any bank or financial institution and interest thereon. **NO default**

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

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

2. PARTICULARS OF THE OFFER

a. Date of passing of board resolution;

The present placement of Bonds is being made pursuant to the resolution passed by the Board of Directors of the company at its meeting held on 20th October 2014

b. Date of passing of resolution in the general meeting, authorizing the offer of securities; 06th May 2014

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

PRIVATE PLACEMENT OF STATE GOVERNMENT GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON CONVERTIBLE TAXABLE BONDS OF RS. 10.00 LACS EACH FOR CASH AT PAR AGGREGATING TO RS. 500 CRORES PLUS GREEN SHOE OPTION UPTO THE AMOUNT OF Rs. 500 CRORES BY TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED ("TANGEDCO"/ "THE ISSUER") SERIES-2/2014-15.

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

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

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

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

Rs. 500 crores plus green shoe option upto the amount of Rs. 500 crores.

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

Please refer page number 42 of this Information Memorandum.

h. Proposed time schedule for which the offer letter is valid; As per issue schedule mentioned in Term sheet of this Information Memorandum. Please refer page number 42.

i. Purposes and objects of the offer;

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

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

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

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

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

Not Applicable

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

Not Applicable

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

Year	Amount
2011-12	Rs.13,26,511/-
2012-13	Rs.59,93,320/-
2013-14	Rs.81,45,460/-

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

NIL

v. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark:

NIL

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

NIL

vii. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company: NIL

4. FINANCIAL POSITION OF THE COMPANY

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

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

Particulars	Number of Securities	Description	Aggregate Nominal Value
Authorised Capital	1200,00,00,000	Equity	Rs.10
Issued, Subscribed and Paid-up share Capital	902,14,20,000	Equity	Rs.10
Subscribed Capital	902,14,20,000	Equity	Rs.10
Paid up Capital	902,14,20,000	Equity	Rs.10

(b) Size of the present offer; Rs. 500 Cores plus green shoe of Rs. 500 Cores.

(c) paid up capital: Rs 9021.42 CRORE

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

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

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

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

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

Date of Allotment	No of Equity Shares	Face Value (Rs.)	Issue Price (In Rs)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative	Remarks

PRIVATE PLACEMENT OFFER LETTER/ INFORMATION MEMORANDUM DATED: 30th October 2014

						No. of Equity Shares	Equity share capital (Rs.)	Equity share premium (in Rs.)	
Incorporation	50000	10	10	Cash	At par	50000	500000	NIL	
31.12.2011	2246077028	10	10	Other than cash as per transfer G.O.	At par	2246127028	2246127028	NIL	
27.9.2012	2305089600	10	10	Cash	At par	4551216628	4551216628	NIL	
20.4.2013	1493087836	10	10	Cash	At par	6044304464	6044304464	NIL	
30.10.2013	331030000	10	10	Cash	At par	6375334464	6375334464	NIL	
27.3.2014	1653000000	10	10	Cash	At par	8028334464	8028334464	NIL	
23.06.2014	662060000	10	10	Cash	At par	8690394464	8690394464	NIL	
26.09.2014	331030000	10	10	Cash	At par	9021424464	9021424464	NIL	

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

(Rs.in Crs)

Profits before and after making provision for tax	Details	Preceding Year 3 (2013-14)	Preceding Year 1 (2012-13)	Preceding Year 2 (2011-12)
		<i>(Rs.in Crs)</i>	<i>(Rs.in Crs)</i>	<i>(Rs.in Crs)</i>
	PBT	-13985.03	-11679.07	-13321.33
	PAT	-13985.03	-11679.07	-13321.33

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

Year	Dividend	Interest Coverage Ratio (Cash Profit/ interest Cost)
F.Y 2013-14	NIL	NIL
F.Y 2012-13	NIL	NIL
F.Y 2011-12	NIL	NIL

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

Please refer page no 28 of this Information Memorandum.

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

Please refer page no 30 of this Information Memorandum.

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

Not Applicable

(V) DECLARATION:

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

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

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

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

The undersigned has been authorized by the Board of Directors of the company vide resolution dated 20th October 2014 to sign this Information Memorandum and declared that all the requirements of the Companies Act, 2013, Securities Exchange Board of India (Issue and Listing of Debt Securities), Regulation, 2012 rules, regulations, guidelines and circulars issued there under in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this Information Memorandum and in the attachments thereto is true and correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoter subscribing to the Memorandum of Associations and Articles of Association of the Company.

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

For **TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED**

Company Secretary
Company Secretary Tamil Nadu Generation and Distribution Corporation Ltd.,
144, Anna Salai, Chennai - 600 002.

Date: 30th October 2014

Place: Chennai

(Z) ANNEXURE(S)

BOARD RESOLUTION:



TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LTD.
NPKRR MAALIGAI, 144, Anna Salai, Chennai - 600 002.
(Accounts Branch)

**EXTRACT OF THE RESOLUTIONS APPROVED IN THE 52ND BOARD
MEETING OF TANGEDCO ON 20.10.2014**

RESOLUTIONS

- a. **Resolved that** the TANGEDCO is hereby authorized to mobilize funds through Private Placement of Bonds - 3rd tranche, TANGEDCO Bond Series-2/2014-15, to the tune of Rs.500.00 crore with option to retain oversubscription up to Rs.500.00 against the Government guarantee at the coupon rate of 9.20% p.a. (payable semi-annually).
- b. **Resolved further that** the following Merchant Bankers viz. M/s.ICICI Bank Limited, Chennai-34, M/s.AXIS Bank Limited, Bangalore, M/s.Trust Investment Advisors Pvt Ltd, Mumbai and M/s.Darashaw & Company Pvt Ltd., Chennai-34 are hereby appointed as Merchant Bankers for mobilisation of funds, equally Rs.125.00 crore each, through private placement of Bonds to the tune of Rs.500.00 crore with option to retain oversubscription upto Rs.500.00 against the Government guarantee at the coupon rate of **9.20% p.a.** (payable semi-annually).
- c. **Resolved further that** M/s. SBICAP Trustee Company Limited is hereby appointed to act as Trustee for the TANGEDCO Bond issue Series-2/2014-15.
- d. **Resolved further that** M/s. State Bank of India is hereby appointed to act as Escrow Agent for the TANGEDCO Bond issue Series-2/ 2014-15.
- e. **Resolved further that** M/s. Integrated Enterprises India Ltd., is hereby appointed to act as Registrar and Transfer Agent for the TANGEDCO Bond issue Series-2/2014-15.
- f. **Resolved further that** the State Bank of India and HDFC Bank are hereby appointed to act as Collecting Bankers for the TANGEDCO Bond issue Series-2/2014-15.
- g. **Resolved further that** the Chairman and Managing Director/ TANGEDCO be and is hereby authorized to accept the Terms and Conditions of Trustee, Escrow Agent, Registrar and Transfer Agent, Collecting Bankers, Bombay Stock Exchange and National Securities and Depository Ltd for mobilizing funds through Private Placement of Bonds (TANGEDCO Bond Series-2/2014-15) to the tune of Rs.500.00 crore with option to retain oversubscription up to Rs.500.00 crore against the Government guarantee at the coupon rate of 9.20% p.a. (payable semi-annually) and to make allotment of Bonds, within 15 working days from the date of closure of issue, to the respective investors who have subscribed in the TANGEDCO Bond issue Series-2/2014-15.

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

K. GOVINDAN
Chief Financial Controller/General

To
The Manager, M/s. ICICI Bank Limited, No.110, 1st Floor, Prakash Presidium,
Nungambakkam High Road, Nungambakkam, Chennai-34.
The Vice-President, M/s. AXIS Bank Ltd., 'EXPRESS BUILDING' II Floor, #1,
Queens Road, Bangalore-560001.
The Associate Director, M/s.Trust Investment Advisors Private Ltd.,
1101, Naman Centre, C-31, G-Block, Bandra-Kurla Complex, Bandra
(East), Mumbai-400051.
The Associate Vice President, M/s.Darashaw & Company Pvt Ltd.,
8/2, "Unique Sterling Apartment", 3rd Cross Street, Sterling Road,
Nungambakkam, Chennai-34.

//TRUE COPY//


K.R. SRIVIDHYA, B.Sc., AICWA.,
Financial Controller / General
Tamil Nadu Generation and
Distribution Corporation Limited,
Accounts Branch
144, Anna Salai, 7th Floor, NPKRR Maaligai,
Chennai - 600 002.

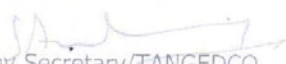
SHARE HOLDERS RESOLUTION:



**EXTRACT OF THE MINUTES OF THE EXTRA ORDINARY GENERAL MEETING OF
TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED
HELD ON 06.05.2014 AT 4:45 P.M.**

"RESOLVED THAT the TANGEDCO is permitted to offer the securities or invite to subscribe securities in the form of private placement of bonds to the extent of Rs.3366.50 crore during the current Financial Year 2014-15 in tranches at the rate prevailing in the money market through arrangers appointed by adopting the Tamil Nadu Transparency in Tenders Act & Rules".

Date: 07.5.2014.
Place: Chennai-2.


Company Secretary/TANGEDCO
Company Secretary /
Tamil Nadu Generation and Distribution Corporation Limited,
144, Anna Salai, Chennai - 600 002.

GOVERNMENT GUARANTEE LETTER:



ABSTRACT

Tamil Nadu Generation and Distribution Corporation Limited – Issue of Government Guarantee of Rs.4000.00 crores to Tamil Nadu Generation and Distribution Corporation Limited from the balance available Government Guarantee of Rs.4737.40 crores with Tamil Nadu Power Finance and Infrastructure Development Corporation Limited by canceling the Government Guarantee given to Tamil Nadu Power Finance and Infrastructure Development Corporation Limited – Orders – Issued.

Energy (C2) Department

G.O.(Ms.)No.94

Dated:17.09.2013

திருவள்ளூர் ஆண்டு 2044, புரட்டாசி 01

Read:

1. G.O.Ms.No.115, Energy (C2) Department, dated 25.11.2011
2. G.O.Ms.No.331, Finance (L&A Cell) Department, dated 3.12.2011
3. From the Chairman and Managing Director, Tamil Nadu Generation and Distribution Corporation Limited, letter No.11256/DFC/RES/A31/A311/2012, dated 12.4.2013

ORDER:

In the Government order first and second read above, the Government issued Guarantee to Tamil Nadu Power Finance and Infrastructure Development Corporation Limited for a sum of Rs.6000 Crores to mobilize additional resources by floating bonds of Rs.6000 Crores to fund the new projects and for swapping of the high cost loans of Tamil Nadu Generation and Distribution Corporation Limited.

2. The Chairman and Managing Director, Tamil Nadu Generation and Distribution Corporation Limited in his letter third read above has stated that based on the Government Guarantee of Rs.6000 Crores, Tamil Nadu Power Finance and Infrastructure Development Corporation Limited had mobilized Rs.253.90 Crores and Rs.508.70 Crores through Powerfin Bond Series-1/2012-13 and Series-2/2012-13 at the coupon rate of 9.67% and 9.56% respectively. The total mobilized fund of Rs.762.60 Crores has been transferred to Tamil Nadu Generation and Distribution Corporation Limited as a loan at the interest rate of 11.00% p.a. Tamil Nadu Generation and Distribution Corporation Limited has reimbursed all the incidental cost like expenses towards tendering, rating agency fees and other

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expenses like listing and others. Due to this, the cost of funds through bonds has been increased and has resulted in additional interest burden to Tamil Nadu Generation and Distribution Corporation Limited. Subsequently Tamil Nadu Power Finance and Infrastructure Development Corporation Limited has launched Powerfin Bond Series-3/2012-13 for the issue size of Rs.250 Crores with option to retain over subscription up to additional of Rs.250 Crores. After closing of this issue in full, the balance available Government Guarantee with Tamil Nadu Power Finance and Infrastructure Development Corporation Limited will be Rs.4737.40 Crores.

3. The Chairman and Managing Director, Tamil Nadu Generation and Distribution Corporation Limited has therefore requested the Government to issue unconditional and irrevocable Government Guarantee for an amount of Rs.4000.00 crores (Rupees Four Thousand Crores Only) to Tamil Nadu Generation and Distribution Corporation Limited from the balance available Government Guarantee of Rs.4737.40 Crores with Tamil Nadu Power Finance and Infrastructure Development Corporation Limited for raising funds through private placement of Bonds by Tamil Nadu Generation and Distribution Corporation Limited during 2013-14.

4. The Government after careful examination accept the request of the Chairman and Managing Director, Tamil Nadu Generation and Distribution Corporation Limited and issue unconditional and irrevocable Government Guarantee for an amount of Rs.4000.00 crores (Rupees Four Thousand Crores Only) to Tamil Nadu Generation and Distribution Corporation Limited from the balance available Government Guarantee of Rs.4737.40 Crores with Tamil Nadu Power Finance and Infrastructure Development Corporation Limited out of the Government Guarantee of Rs.6000.00 crores for raising funds through private placement of Bonds by Tamil Nadu Generation and Distribution Corporation Limited during 2013-14 by canceling the Government Guarantee given to Tamil Nadu Power Finance and Infrastructure Development Corporation Limited.

5. This order issues with the concurrence of the Finance Department U.O.No.49474/L&A Cell/2013-1, dated 13.09.2013.

(BY ORDER OF THE GOVERNOR)

Rajesh Lakhoni
Secretary to Government

To
The Chairman and Managing Director,
Tamil Nadu Generation and Distribution Corporation Limited,
Chennai - 2.
The Chairman and Managing Director,
Tamil Nadu Power Finance and Infrastructure Development Corporation Limited,
Chennai - 35.

Contd...3

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The Accountant General, Chennai -18/9
The Accountant General, Chennai – 18 (By name)

Copy to:

The Finance (BPE/L&A Cell/ PW-II/W&M-1) Department,
Chennai-9

The Chief Minister Office, Chennai-9

The Senior P.A. to Minister (E,P&E), Chennai-9

The Senior P.A. to Minister (Finance), Chennai -9
SF/SC

//Forwarded/By Order//

d. Shanmugam
SECTION OFFICER



ABSTRACT

Government Guarantee – Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) - Government Guarantee for Rs.4,000.00 crores by cancelling the same from out of the Government Guarantee of Rs.6,000.00 crores sanctioned to Tamil Nadu Power Finance and Infrastructure Development Corporation Limited– Sanctioned – Orders issued.

FINANCE (LOANS & ADVANCES CELL) DEPARTMENT

G. O.Ms.No. 378

Date: 18.09.2013.
Purattasi 2,
Thiruvalluvar Aandu 2044.

READ:

1. G.O. Ms.No.115, Energy (D2) Department, dated: 25.11.2011
2. G.O.Ms.No.331, Finance (Loans and Advances Cell) Department, dated 3.12.2011
3. G.O. Ms.No.15, Energy (D2) Department, dated: 23.02.2012
4. G.O. Ms.No.19, Energy (D2) Department, dated: 02.03.2012
5. From the Chairman and Managing Director, Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), Chennai-2, Letter.No.11256/DFC/RES/A31/A311/ 2012 dated: 12.04.2013.
6. G.O. Ms.No.94, Energy (C2) Department, dated: 17.09.2013.

ORDER:

In the Government Order first to fourth read above, orders were issued for providing Government Guarantee to the tune of Rs.6,000.00 crores (Rupees six thousand crores only) permitting the Tamil Nadu Power Finance and Infrastructure Development Corporation Limited to mobilize bonds through private placement to the total extent of Rs.6,000.00 Crores to fund the new projects and for swapping of the high cost loans of Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). Out of this, an amount of Rs.4737.40 crores is available unutilized with Tamil Nadu Power Finance and Infrastructure Development Corporation Limited.

2. In the order sixth read above, the Government issued unconditional and irrevocable Government Guarantee for a sum of Rs.4,000.00 crores (Rupees four thousand crores only) to Tamil Nadu Generation and Distribution

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Corporation Limited (TANGEDCO) by cancelling the same from Tamil Nadu Power Finance and Infrastructure Development Corporation Limited out of the Government Guarantee of Rs.6,000.00 crores issued earlier vide Government orders first to fourth read above, for raising funds through private placement of bonds by Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) during 2013-2014.

3. In exercise of the powers conferred under Article 293(1) of the Constitution of India, the Governor of Tamil Nadu hereby guarantees the repayment of principal together with interest for a sum of Rs.4,000.00 crores (Rupees four thousand crores only) for raising funds through private placement of bonds by Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) during 2013-2014.

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

5. The Government further direct that a Guarantee Fee of $\frac{1}{2}$ % (half a percent only) per annum be charged from the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) on the outstanding guaranteed amount once in every half year and the same shall be remitted into Government account under the following head of account:

0075 Miscellaneous General Services
00 Miscellaneous General Services
108 Guarantee Fee
AA Guarantee Fee
(D.P. Code 0075 00 108 AA 0007)

6. The Chief Electrical Inspector to Government shall watch the prompt repayment of principal and payment of interest on the guaranteed amount and also the remittance of Guarantee Fee to Government by the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). The report regarding the repayment of principal/payment of interest and Guarantee Fee shall be sent to the Government in Finance (L & A Cell) Department with a copy marked to Energy Department and also to the Accountant General, Chennai 600 018 periodically, every six months, ending September and March in the Consolidated Statement of Guarantees (including outstanding guarantees) so far issued. The Energy Department shall conduct periodical review regarding the repayment of principal and payment of interest and Guarantee Fee by the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO).

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7. The following notification shall be published in the Tamil Nadu Government Gazette:

NOTIFICATION

In exercise of the powers conferred under clause (1) of Article 293 of the Constitution of India, the Governor of Tamil Nadu, hereby guarantees unconditionally and irrevocably repayment of principal to the aggregate value of Rs.4000.00 Crores (Rupees four thousand Crores only) together with interest and other charges thereon on the bonds to be issued by the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) till the principal is redeemed fully from the date of issue of bonds.

8. Necessary entries regarding this Government Order have been made in the Guarantee Register vide Serial No.376.

(BY ORDER OF THE GOVERNOR)

**PRASHANT M. WADNERE,
DEPUTY SECRETARY TO GOVERNMENT.**

To

~~The Secretary to Government, Energy Department, Chennai 600 009.~~

~~The Chairman & Managing Director, Tamil Nadu Generation and Distribution Corporation Limited, Chennai 600 002.~~

The Chairman & Managing Director, Tamil Nadu Power Finance and Infrastructure Development Corporation Limited Chennai-600 035.

The Chief Electrical Inspector to Government, Guindy, Chennai 600 032.

The Director-Finance, Tamil Nadu Generation and Distribution Corporation Limited, Chennai 600 002.

The Chief Financial Controller/GL, Tamil Nadu Generation and Distribution Corporation Limited, Chennai 600 002.

The Pay Accounts Officer (South), Chennai- 600 035

The Principal Accountant General (Audit) I, Chennai 600 018.

The Principal Accountant General (A&E), Chennai 600 018.

The Principal Accountant General (Audit) II, Chennai 600 018.

The Works Manager, Government Central Press, Chennai -600 079 (for publication of Notification in Tamil Nadu Government Gazette)

Copy to:

The Director, Central Board of Direct Taxes, Ministry of Finance, Government of India, New Delhi 110 001.

The Energy (C-2) Department, Chennai 600 009.

The Finance (PWD-II / BPE) Department, Chennai 600 009.

Stock file / Spare copies.

/ Forwarded by order /

Prashant M. Wadner
SECTION OFFICER

12/1/2013



ABSTRACT

Tamil Nadu Generation and Distribution Corporation Limited – Government Guarantee of Rs.4000 crore for raising funds through private placement of bonds against Government Guarantee for 2013-14 – Extension of validity of the balance unutilized Government Guarantee of Rs.3366.50 crores upto 2014-15 – Orders – Issued.

Energy (C2) Department

G.O.(Ms.) No.31

Dated: 23.04.2014

திருவள்ளூர் ஆண்டு 2045, சித்திரை 10

Read:

- 1) G.O.(Ms) No.94, Energy (C2) Department, dated 17.09.2013.
- 2) G.O.(Ms) No.378, Finance (L&A Cell) Department, dated 18.9.2013
- 3) From the Director (Finance) / Tamil Nadu Generation and Distribution Corporation Limited Letter No. 009920/DFC/RES/A34/A342/2013, Dated: 07.3.2014

ORDER:

In the G.O first and second read above, the Government issued unconditional and irrevocable Government Guarantee for an amount of Rs.4000.00 crores (Rupees Four Thousand Crores. Only) to Tamil Nadu Generation and Distribution Corporation Limited from the balance available Government Guarantee of Rs.4737.40 Crores with Tamil Nadu Power Finance and Infrastructure Development Corporation Limited out of the Government Guarantee of Rs.6000.00 crores for raising funds through private placement of Bonds by Tamil Nadu Generation and Distribution Corporation Limited during 2013-14 by canceling the Government Guarantee given to Tamil Nadu Power Finance and Infrastructure Development Corporation Limited.

2. In the letter third read above the Director (Finance), Tamil Nadu Generation and Distribution Corporation Limited has stated that Tamil Nadu Generation and Distribution Corporation Limited has mobilized an amount of Rs.633.50 crore, through first-tranche, Tamil Nadu Generation and Distribution Corporation Limited Bond Issue Series-1/2013-14, at the coupon rate of 10.50% payable semi-annually. The balance available government guarantee at present is Rs.3366.50 crore.

3. The Director (Finance), Tamil Nadu Generation and Distribution Corporation Limited has further stated that as per the borrowing programme for the year 2013-14 Tamil Nadu Generation and Distribution Corporation Limited has budgeted to borrow funds to the tune of Rs.2000.00 crore and Tamil Nadu Generation and Distribution Corporation Limited has proposed to mobilize funds in the second-tranche, during March 2014 and April 2014 through private placement of bonds to the tune of Rs.500.00 crore with option to retain oversubscription up to Rs.500.00 crore. Whereas the validity of the G.Os., issued in first and second read above expires on 31.3.2014. Therefore, he has requested to extend the validity of the guarantee for 2014-15 and issue necessary orders, in order to mobilize successfully the balance unutilized government guarantee of Rs.3366.50 crore through bond issue.

4. The Government after careful examination accept the request of the Director (Finance), Tamil Nadu Generation and Distribution Corporation Limited. Accordingly, the Government extends the validity of the Government Guarantee given to Tamil Nadu Generation and Distribution Corporation Limited in the Government Order first read above upto the year 2014-15 in order to mobilize funds based on the balance unutilized government guarantee of Rs.3366.50 crore (Rupees Three thousand three hundred sixty six crores and fifty lakhs only) through bond issue.

5. A necessary amendment to Government guarantee issued in G.O. second cited will be issued in Finance Department separately.

6. This orders issues with the concurrence of the Finance department vide its U.O No.21695/L&ACell/2014, dated 23.04.2014.

(BY ORDER OF THE GOVERNOR)

Rajesh Lakhoni
Secretary to Government

To
The Chairman and Managing Director,
Tamil Nadu Generation and Distribution Corporation Limited,
Chennai – 2.
The Chairman and Managing Director,
Tamil Nadu Power Finance and Infrastructure Development Corporation Limited,
Chennai – 35.
The Accountant General, Chennai -18/9
The Accountant General, Chennai – 18 (By name)
Copy to:
The Finance (BPE/L&A Cell/ PW-II/W&M-1) Department,
Chennai-9
The Chief Minister Office, Chennai-9
The Senior P.A. to Minister (E,P&E), Chennai-9
The Senior P.A. to Minister (Finance), Chennai -9
SF/SC

//Forwarded/By Order//

A. Ananthu
SECTION OFFICER
mkB



Government Guarantee - Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) - Government Guarantee of Rs.4,000.00 crores issued for raising funds through private placement of bonds during 2013-14 -Extension of validity of the balance unutilized Government Guarantee of Rs.3366.50 crores up to 2014-15 -Orders- Issued.

FINANCE (LOANS & ADVANCES CELL) DEPARTMENT

G. O Ms No. 103

Date : 25.04.2014,
Jaya, Chittirai - 12,
Thiruvalluvar Aandu 2045.

READ:

1. G.O. Ms No.115, Energy (D2) Department, dated: 25.11.2011.
2. G O.Ms.No 331, Finance (Loans and Advances Cell) Department, dated 3.12.2011.
3. G.O. Ms No.15, Energy (D2) Department, dated: 23.02.2012.
4. G O. Ms.No.19, Energy (D2) Department, dated: 02.03.2012.
5. G.O. Ms.No.94, Energy (C2) Department, dated: 17.09.2013.
6. G O. Ms.No.378, Finance (Loans and Advances Cell) Department, dated 18.09.2013.
7. From the Director (Finance), Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), Chennai-2,
Letter.No.009920/DFC/RES/A34/A342/ 2013 dated: 07.03.2014.
8. G O. Ms.No.31, Energy (C2) Department, dated: 23.04.2014.

ORDER:

In the order fifth read above, the Government issued unconditional and irrevocable for a sum of Rs.4,000.00 crores (Rupees Four Thousand Crores only) to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), out of the Government Guarantee of Rs.6,000.00 crores issued to Tamil Nadu, Power Finance and Infrastructure Development Corporation Limited earlier vide Government orders first to fourth read above, for raising funds through private placement of bonds by Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) during 2013-2014.

2. In the letter seventh read above the Director (Finance), Tamil Nadu Generation and Distribution Corporation Limited has stated that it has mobilized an amount of Rs.633.50 crores, through first tranche, Tamil Nadu Generation and Distribution Corporation Limited Bond issue Series-1/2013-14, at the coupon rate of 10.50% payable semi-annually. The balance available Government Guarantee at present is Rs.3366.50 crores and hence requested to extend the validity of the Guarantee for 2014-15, in order to mobilize the balance unutilized Government Guarantee of Rs.3366.50 Crores through bond issue.

3. Considering the request made by the Director (Finance), Tamil Nadu Generation and Distribution Corporation Limited, the Government in the reference eighth read above have issued order extending the validity of the Government Guarantee to Tamil Nadu Generation and Distribution Corporation Limited for the unutilized Guarantee of Rs.3366.50 (Rupees Three Thousand Three Hundred Sixty Six crores and Fifty lakhs only) up to 2014-15.

4. Accordingly, in exercise of the powers conferred under Article 293(1) of the Constitution of India, the Governor of Tamil Nadu hereby extending the validity of the Government Guarantees for the unutilized Guarantee of Rs.3366.50 (Rupees Three Thousand Three Hundred Sixty Six crores and Fifty lakhs only) up to 2014-15 so as to enable by Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) to raise funds through private placement of bonds during 2014-2015.

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

6. The Government further direct that a Guarantee Fee of ½ % (half a percent only) per annum be charged from the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) on the outstanding guaranteed amount once in every half year and the same should be remitted into Government account under the following head of account periodically without fail.

0075 Miscellaneous General Services
00 Miscellaneous General Services
108 Guarantee Fee
AA Guarantee Fee
(D.P. Code 0075 00 108 AA 0007)

7. The Chief Electrical Inspector to Government shall watch the prompt repayment of principal and payment of interest on the guaranteed amount and also the remittance of Guarantee Fee to Government by the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). The report regarding the repayment of principal/payment of interest and Guarantee Fee shall be sent to the Government in Finance (L & A Cell) Department with a copy marked to Energy Department and also to the Accountant General, Chennai 600 018 periodically, every six months, ending September and March in the Consolidated Statement of Guarantees (including outstanding guarantees) so far issued. The Energy Department shall conduct periodical review regarding the repayment of principal and payment of interest and Guarantee Fee by the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO).

(BY ORDER OF THE GOVERNOR)

PRASHANT M. WADNERE,
DEPUTY SECRETARY TO GOVERNMENT.

To
The Secretary to Government, Energy Department, Chennai 600009.
The Chairman & Managing Director, Tamil Nadu Generation and Distribution Corporation Limited Chennai 600002.

The Chairperson & Managing Director, Tamil Nadu Power Finance and Infrastructure Development Corporation Limited Chennai-35.
The Chief Electrical Inspector to Government, Guindy, Chennai 600032.
The Director-Finance, Tamil Nadu Generation and Distribution Corporation Limited, Chennai 600002.
The Chairman & Managing Director, TNEB Limited Chennai 600002.
The Chief Financial Controller/GL, Tamil Nadu Generation and Distribution Corporation Limited, Chennai 600002.
The Pay Accounts Officer (South), Chennai-35
The Principal Accountant General (Audit) I, Chennai 600018.
The Principal Accountant General (Audit) I, Chennai 600018. (By name)
The Accountant General (A&E), Chennai 600018.
The Accountant General (A&E), Chennai 600018. (By name)
The Accountant General (Audit) II, Chennai 600018.
The Accountant General (Audit) II, Chennai 600018. (By name)
Copy to:
The Director, Central Board of Direct Taxes, Ministry of Finance, Government of India, New Delhi 110001.
The Energy (D-2) Department, Chennai 600009.
The Finance (PWD-II / BPE) Department, Chennai 600009.
Stock file / Spare copies.

/ Forwarded by order /


SECTION OFFICER

RATING LETTER - ICRA LIMITED



ICRA Limited

CONFIDENTIAL

Ref. No.Reval/Chen/75/14-15

October 14, 2014

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

Dear Sir,

Re: ICRA Conditional Credit Rating for the Rs. 4000.0 crore Bond programme of Tamil Nadu Generation and Distribution Corporation Limited

This is with reference to your email dated October 07, 2014, for re-validating your rating for the Long-term Borrowing Programme of Rs.4000 crore.

We confirm that the “**Conditional [ICRA]A- (SO)**” rating, assigned to the captioned Bonds programmes of your company and last communicated to you vide our letter dated October 21, 2013 stands. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The letters SO in parenthesis suffixed to the rating symbol stand for Structured Obligation. An SO rating is specific to the rated issue, its term and its structure. SO ratings do not represent ICRA’s opinion on the general credit quality of the issuers concerned.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: RTG/Chen/189/15-14 dated October 21, 2013.

With kind regards,

Yours sincerely,
for ICRA Limited

Handwritten signature of K. Ravichandran in black ink.

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

Handwritten signature of R. Srinivasan in black ink.

(R. Srinivasan)
Assistant Vice President

RATING LETTER –INDIA RATING & RESEARCH PVT LTD

India Ratings
& Research

India Ratings & Research Pvt. Ltd.
CIN : U67100MH1995FTC140049

Fitch Group

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

October 20, 2014

Kind Attn: Mr.S.Arulsamy

Dear Sir,

Re: INR40bn TANGEDCO Bonds Guaranteed Unconditionally and Irrevocably by Government of Tamil Nadu

India Ratings (see definition below) has affirmed the following [Expected] rating, subject to receipt of final documents:-

'IND A(SO)(exp)' to TANGEDCO's INR40bn bonds unconditionally and irrevocably guaranteed by government of Tamil Nadu (Bond Programme rated on 17 October 2014).

Details of the issue mentioned in the Annexure

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

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

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

India Ratings & Research Private Limited – A Fitch Group Company
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RATING RATIONALE- ICRA LIMITED



ICRA Limited
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TAMIL NADU GENERATION & DISTRIBUTION CORPORATION LIMITED

ICRA assigns conditional rating of [ICRA]A-(SO) to the proposed bond issue of Tamil Nadu Generation & Distribution Corporation Limited

Instrument	Amount (Rs. Crore)	Rating Action October 2013
Non-convertible bond program	4,000.0	[ICRA]A-(SO)(Conditional) assigned

ICRA has assigned a conditional rating of [ICRA]A-(SO) (pronounced as ICRA A minus Structured Obligation) to the Rs. 4,000.0 crore^{*} proposed bond program of Tamil Nadu Generation & Distribution Corporation Limited (TANGEDCO)[†]. The letters SO in parenthesis suffixed to the rating symbol stand for Structured Obligation. An SO rating is specific to the rated issue, its terms, and its structure. SO ratings do not represent ICRA's opinion on the general credit quality of the issuers concerned.

ICRA has ratings outstanding of [ICRA]A-(SO) assigned to the bond programs of Rs. 530.9 crore, Rs. 60.7 crore, Rs. 400 crore, and, Rs. 200 crore of TANGEDCO[‡].

The rating assigned to the bond program of TANGEDCO derives strength from the unconditional and irrevocable guarantee extended by GoTN towards repayment of principal and interest due thereon over the tenure of the bonds, and an ICRA stipulated structured payment mechanism, which includes an escrow account to be monitored by a Trustee. As a result, the rating assigned to the bond program primarily reflect the credit strength of GoTN and the integrity and expected adherence to the structured payment mechanism as stipulated by ICRA.

GOTN's Performance

Tamil Nadu (TN) has traditionally held a relatively stronger position amongst the States in India, with superior socio-economic infrastructure, a favorable fiscal performance and below-average leverage levels (including both debt and guarantees) as compared to peer States§. A higher level of revenue receipts^{**} as a proportion of the State's gross state domestic product (GSDP) relative to peer States aided GoTN in achieving the targets set by the Tamil Nadu Fiscal Responsibility Act, 2003 (TNFRA)^{††}, considerably ahead of the schedule. After weakening to an extent in the period 2009-11, the State's fiscal balances improved in 2011-12 and GoTN met the targets included in the fiscal roadmap suggested by the Thirteenth Finance Commission (ThFC), which entails a balanced revenue account and curtailment of the fiscal deficit to 3% of GSDP from 2011-12 onwards.

* 100 lakh = 1 crore = 10 million

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

‡ Additionally, ICRA also has ratings outstanding of [ICRA]A-(SO) to the bond programs of Rs. 69.1 crore, Rs. 200 crore (each) and Rs. 0.6 crore of Tamil Nadu Transmission Corporation Limited (TANTRANSOCO).

§ ICRA has rated a number of State entities in States including Andhra Pradesh, Karnataka, Maharashtra, Gujarat, and Punjab.

** Adjusted for double entries of interest from departmental commercial undertakings; debt waiver on account of Central Loans written off under Debt Consolidation and Relief Facility of the Twelfth Finance Commission (TwFC) in 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11, as well as the debt waiver on account of Central loans written off in 2011-12 following the recommendations of the Thirteenth Finance Commission (ThFC) in 2011-12.

†† The original targets under the TNFRA aimed at eliminating the State Government's revenue deficit by 2008-09 and curbing the fiscal deficit to 3% of GSDP by 31st March 2008 and adhering to the same thereafter. The TNFRA was amended subsequently in 2010 to allow for a postponement of the targets of eliminating the revenue deficit and capping the fiscal deficit at 3% of GSDP to 2011-12.

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An increase in revenue expenditure⁴⁴ arising from various factors including the implementation of the Sixth Central Pay Commission's recommendations; increase in dearness allowance; substantial expenditure toward flood relief in certain years; and rising food subsidy levels⁴⁵, resulted in a pressure on the State Government's fiscal balances from 2008 onwards. After displaying a revenue deficit in 2008-10 and 2010-11, the State Government displayed a revenue surplus in 2011-12, benefitting from a healthy growth of revenue receipts combined with a moderation in the pace of growth of revenue expenditure. This helped the State Government to compress its fiscal deficit to 2.7% of GSDP in 2011-12 from 2.8% of GSDP in 2010-11, despite an increase in capital expenditure. However, debt and guarantees as a proportion of revenue receipts rose marginally to 1.58 times in 2011-12 from 1.55 times in 2010-11.

The Revised Estimates (RE) for 2012-13 forecast a considerable 21% increase in revenue expenditure, in spite of savings on account of the complete discharge of the arrears related to the Sixth Central Pay Commission's recommendations in 2011-12. The substantial growth of revenue expenditure reflects higher allocations towards sectors such as crop husbandry and urban development as well as various subsidies and social sector schemes. For instance, following GoTN's decision to provide 20 kg or 35 kg of rice free of cost each month to different categories of ration cardholders from June 1, 2011, food subsidies rose to Rs. 4,900 crore in 2011-12 and further to Rs. 5,200 crore in 2012-13 RE from Rs. 3,950 crore in 2010-11. Revenue receipts are estimated to have expanded by 20% in 2012-13, reflecting various additional resource mobilization (ARM) measures introduced by GoTN. This included a revision in property guideline values from April 1, 2012, which contributed to a healthy 29% growth of stamps & registrations collections in 2012-13 RE; stamps & registrations collections account for 11-12% of GoTN's own tax collections. Overall, the RE for 2012-13 forecast a decline in the projected revenue surplus and an increase in the fiscal deficit to 2.8% of GSDP from 2.7% of GSDP in 2011-12. Nevertheless, the projected fiscal balances for 2012-13 are in line with the fiscal roadmap for GoTN suggested by the ThFC and the targets indicated in the Tamil Nadu Fiscal Responsibility Act, 2003.

GoTN's Budget Estimates (BE) for 2013-14 forecast a small improvement in the State Government's revenue surplus to Rs. 864 crore from Rs. 462 crore in 2012-13 RE. Revenue receipts have been projected to expand by 17% in 2013-14 BE. GoTN has forecast a 17% increase in State's own tax revenue (SOTR) collections in 2013-14 BE, even though no new tax has been imposed, and existing tax rates have not been hiked. ICRA however believes that the overall pace of growth of SOTR collections and Central tax devolution is expected to mirror the economic scenario going forward. ICRA notes that the growth of revenue expenditure is forecast to remain substantial at 18% in 2013-14, with committed expenditure (salaries, pension payments and interest payments) projected to rise by 19% in the ongoing fiscal year. Nevertheless, the level of committed expenditure is projected to remain moderate at 53% of revenue expenditure in 2013-14 RE.

GoTN has forecast a small decline in the food subsidy allocation to Rs. 4,800 crore in 2013-14 BE from Rs. 5,200 crore in 2012-13 RE. In ICRA's view, the benefits to the State Governments in terms of a reduction in their food subsidy bill following the promulgation of the National Food Security Ordinance are likely to be limited in the current fiscal.

Following the revision of power tariffs with effect from April 2012, and GoTN's decision to partially absorb the tariff hike for some consumer categories, the power subsidy outlay is projected to rise sharply to Rs. 5,197 crore in 2013-14 BE from Rs. 2,029 crore in 2011-12 and Rs. 4,103 crore in 2012-13 RE. A further reduction in cross-subsidization going forward would enlarge the power subsidy payable by the Government, in the absence of any withdrawal of free/subsidized power to certain consumer categories.

⁴⁴ Adjusted for double entries of interest from departmental commercial undertakings.

⁴⁵ Food subsidy levels rose from Rs. 1,950 crore in 2007-08 to Rs. 3,950 crore in 2010-11, following a reduction in the price of subsidized rice from Rs. 2 per kg to Rs. 1 per kg in 2008-09, an increase in the minimum support prices (MSP) of paddy and prevailing high food inflation.

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ICRA notes that GoTN undertook various measures in 2011-12 and 2012-13 to bolster the financial health of the unbundled power utilities, including equity infusion and provision of loans, as well as an extension of substantial guarantees to support the power sector's fund-raising plans. Additionally, the Financial Restructuring Plan (FRP) for TANGEDCO has been approved, under which short term liabilities of the latter of Rs.12,211 crore have been restructured in the current fiscal, with implications for GoTN's leverage levels and fiscal balances. The entire magnitude of short term debt approved for restructuring under the FRP is initially being guaranteed by GoTN, which would enlarge its leverage levels: 50% of the debt being restructured under this scheme has been converted into bonds issued by TANGEDCO to participating Lenders (backed by GoTN guarantees), which will be taken over by GoTN over a period of time through the issuance of special securities to the Lenders. The balance 50% of the debt has been restructured by the Lenders at reduced interest rates. Interest servicing of the aforesaid bonds and part-financing of the cash losses of TANGEDCO in some years would exert some pressure on the State Government's fiscal balances in the near-to-medium term.

GoTN's leverage levels measured in terms of debt and guarantees as a proportion of revenue receipts stood at 1.56 times in 2011-12, which was favorable as compared to a number of peer States. While the guarantees extended by GoTN to its power sector entities may exert some pressure on the State Government's leverage levels in the near-to-medium term, ICRA nevertheless expects the same to remain moderate as compared to peer States.

ICRA expects the administration and the State Government to demonstrate commitment to the process of fiscal consolidation and adhere to the revised fiscal roadmap for the States as suggested by the ThFC. ICRA would evaluate the impact of various factors on the health of GoTN's revenues, such factors including the implementation of the Goods and Services Tax; the impact of the recent slowdown in economic growth on the pace of growth of own tax revenues and Central tax devolution; and the extent of cash losses of the power sector entities to be borne by the State Government. Overall, a restraint in the growth of revenue expenditure would remain critical to ensure sustainable fiscal consolidation and adherence to the norm of a balanced revenue account.

Entity Profile

Under the reorganization and transfer scheme of TNEB under the Tamil Nadu Electricity (Reorganization and Reforms) Transfer Scheme 2010 issued by Government of Tamil Nadu (GoTN) with effect from November 1, 2010, TNEB has been reorganized into TNEB Limited (the holding company), Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and Tamil Nadu Transmission Corporation Limited (TANTRANSCO). TANGEDCO is the largest utility in the country in terms of number of consumers (24.88 million as of March 31, 2013) and one of the top few state utilities in terms of energy sales. TANGEDCO's own capacity for power generation stood at 5,740 MW for FY 2013 of which thermal and hydel generation capacity constituted ~50% and ~36% respectively. TANGEDCO also sources a significant portion of its requirement from central power sector utilities like National Thermal Power Corporation Ltd (NTPC), Neyveli Lignite Corporation Ltd (NLC) and Nuclear Power Corporation of India Ltd (NPCL) besides independent power producers (IPPs) in the State. Other sources, from where power is purchased, include captive generating units, co-generation units and wind mills. TANGEDCO reported net revenue of Rs. 31,487.8 crore and deficit of Rs. 11,679.1 crore for FY 2013 against net revenue of Rs. 22,898.4 crore and deficit of Rs. 13,321.3 crore for FY 2012.

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Tamil Nadu State Finances

		2013-14	2012-13	2011-12	2010-11	2009-10
	Units	BE	RE	Actual	Actual	Actual
Revenue Receipts	Rs. Crore	117,980	101,178	84,530	69,692	55,134
State's Own Tax Revenue	Rs. Crore	86,065	73,560	59,517	47,782	36,547
State's Own Non-Tax Revenue**	Rs. Crore	6,166	6,089	5,012	4,156	4,317
Other Revenues	Rs. Crore	25,749	21,529	20,001	17,754	14,270
Revenue Expenditure***	Rs. Crore	117,316	100,726	83,264	72,420	58,929
Interest	Rs. Crore	13,031	10,196	8,871	7,940	6,667
Other	Rs. Crore	104,286	90,531	74,393	64,480	52,262
Primary Revenue Balance	Rs. Crore	13,895	10,647	10,137	5,211	2,673
Revenue Balance	Rs. Crore	664	452	1,266	- 2,729	- 3,794
Capital Expenditure	Rs. Crore	22,505	19,165	16,336	12,436	8,573
Net Lending	Rs. Crore	1,097	1,175	2,303	1,482	- 297
Fiscal Deficit	Rs. Crore	- 22,939	- 19,889	- 17,372	- 16,647	- 12,071
Change in Debt Stock**	Rs. Crore	- 22,596	- 17,120	- 14,161	- 12,467	- 14,268
Debt***	Rs. Crore	155,129	132,532	115,412	101,349	88,882
Guarantees****	Rs. Crore			16,116	6,674	5,958
GSDP (Nominal)****	Rs. Crore		723,106	839,025	566,422	479,720
Interest / Revenue Receipts		11.0%	10.1%	10.5%	11.4%	12.1%
Debt + Guarantees / Revenue Receipts	Times			1.56	1.55	1.72
Debt + Guarantees / GSDP				20.6%	19.1%	19.8%
Revenue Balance / Fiscal Deficit		-2.9%	-2.3%	-7.3%	16.4%	31.4%
Revenue Balance / GSDP			0.1%	0.2%	-0.5%	-0.8%
Fiscal Deficit / GSDP			-2.8%	-2.7%	-2.9%	-2.5%

October 2013

** Adjusted for double entries of interest from departmental commercial undertakings; debt waiver on account of Central Loans written off under Debt Consolidation and Relief Facility of the TWFC in 2008-09, 2009-10 and 2010-11; as well as the debt waiver on account of Central loans written off in 2011-12 following the recommendations of the Thirteenth Finance Commission (ThFC) in 2011-12.

*** Adjusted for double entries of interest from departmental commercial undertakings

**** Gap funded through Internal Debt, Loans from the Government of India (GoI), Small Savings & Provident Fund

***** Internal Debt, Loans from GoI, Small Savings & Provident Fund

***** Guarantees as on March 31, 2013 and 2014 (estimates) are not available

***** As estimated by the CSO

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RATING RATIONALE- INDIA RATING & RESEARCH PVT LTD

Ind-Ra Affirms TANGEDCO's Bonds at 'IND A(SO)(exp)'

Ind-Re-Chennai-20 October 2014: India Ratings & Research (Ind-Ra) has affirmed Tamil Nadu Generation and Distribution Corporation Limited's (TANGEDCO) INR40bn secured, redeemable and non-convertible bond programme at 'IND A(SO)(exp)'. A break-up of the debt programme is given below:

- INR6,335bn (FY14) long-term bonds
- INR10bn (up to September 14 in FY15) long-term bonds
- Proposed INR10bn (October 14) long-term bonds

KEY RATING DRIVERS

The rating reflects the credit profile of the government of Tamil Nadu (GoTN), which has unconditionally and irrevocably guaranteed the rated bonds until they are fully redeemed.

TANGEDCO functions as a strategic arm of the state government and delivers an essential service. Ind-Ra considers the corporation a government-dependent entity and expects extraordinary government support, when needed. GoTN has implemented a financial restructuring plan (take-over of loans worth INR63.53bn by issuing special securities), extended guarantees to the bond issuances and provided subsidy support (average FY11 to FY14: 14.34% of revenues) to TANGEDCO. Ind-Ra expects GoTN's financial support to continue considering its strategic importance to the system.

TANGEDCO is a monopolistic service provider for Tamil Nadu and plays a pivotal role in the power sector. The company fulfils a social mission and any disruption in delivery would negatively affect the concerned areas and the state's economic growth.

The rating is supported by the tripartite agreement proposed to be executed among TANGEDCO, trustees and escrow account banker and the structured payment mechanism. The trustees have confirmed TANGEDCO's timely payment of interest obligations and adherence to the structured payment mechanism on the issuances.

The state estimates revenue to be INR1,273.90bn in FY15 budget estimates (BE), up 9.06% yoy from the FY14 revised estimates (RE). The own tax revenue is likely to grow 10.16% yoy in FY15BE as opposed to 16.99% yoy in FY14RE. The industrial sector dominates Tamil Nadu's economic structure; therefore, own tax revenue buoyancy of 0.62x indicates the expected industrial growth deceleration. Grants from the centre jumped 40.04% yoy in FY14RE and are likely to grow 9.04% yoy in FY15BE. In Ind-Ra's opinion, the revenue estimates appear achievable as the state has factored in the slump in economic performance.

Subsidies/GSDP is 5.76% in FY14RE and likely to decline marginally to 5.21% in FY15BE. Subsidies to energy generation utilities have been reduced to INR54bn for FY15BE from INR112.42bn in FY14RE. Also, due to the dual pricing of diesel, INR5bn has been allocated to the state transport corporation. Select committed expenditure (salaries, pension and interest) as a percentage of revenue expenditure is likely to increase to 52.88% in FY15BE from 51.36% in FY14RE. Revenue expenditure is estimated to increase 20.09% yoy to INR1,165.64bn in FY15BE. Revenue surplus/GSDP slipped to 0.03% in FY14RE from 0.25% in FY13 and it was achieved through increased grants from the centre.

Since the state has limited room to restrict the committed expenditure, operation and maintenance and capital expenditure growth has been curtailed in FY15BE. In Ind-Ra's view, trimming the capital expenditure growth (FY15BE: 19.84%, FY14RE: 35.66%) to meet the fiscal targets does not augur well for infrastructure development. The agency expects the state to loosen its grip on revenue balance - a trend exhibited in FY14RE and FY13.

Although fiscal deficit/GSDP remained within the fiscal responsibility budget management act limits of 3%, the indicator slid to 2.88% in FY14RE from 2.39% in FY13. The state expects the indicator to

exacerbate to 2.73% in FY15. In Ind-Ra's opinion, a revival in economic growth is crucial to arrest further fiscal slippages. Although the state has tackled the power crisis to a certain extent, the continuous availability of power could provide the necessary impetus to uplift industrial performance.

RATING SENSITIVITIES

Positive: Any improvements in the credit profile of GoTN would result in a rating upgrade.

Negative: Any divergence from the structured payment mechanism or deterioration in GoTN's credit quality could result in a rating downgrade.

COMPANY PROFILE

The Tamil Nadu Electricity Board has been re-organised into three corporations - TNEB Ltd, TANGEDCO and Tamil Nadu Transmission Corporation Limited (TANTRANSKO), as per G.O.No.100 Energy Department dated 19 October 2010. The company reported a net loss of INR139.46bn in FY14 as against a net loss of INR99.78bn in FY13.

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Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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Applicable Criteria, 'Rating of Public Sector Entities' and '[Local and State Government Rating Criteria](#)' dated 12 September 2012, are available at www.indiaratings.co.in

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India Ratings & Research (India Ratings) has six rating offices located at Mumbai, Delhi, Chennai, Kolkata, Bangalore and Hyderabad. India Ratings is recognised by Reserve Bank of India, Securities Exchange Board of India (SEBI) and National Housing Bank.

DEBENTURE TRUSTEE CONSENT LETTER: SBICAP TRUSTEE COMPANY LIMITED

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



**SBICAP Trustee
Company Ltd.**

No. 3220/STCL/Mktg/DD/2014-15
Date: 27th October 2014.

TamilNadu Generation And Distribution Corporation Ltd.
NPKRR MAALIGAI, 144, Anna Salai,
Chennai – 600 002.

Attn: Mr. Mr. K.Govindan – Chief Financial Controller /General

Dear Sirs,

Proposed Private placement by TamilNadu Generation And Distribution Corporation Ltd. (the "Company") of guaranteed, redeemable, rated, listed, non-convertible bonds in the nature of debentures (the "Bonds") up to Rs. 500 Crores with an option to retain over subscription up to Rs. 500 Crores , aggregating to Rs. 1,000 Crores (the "Issue").

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

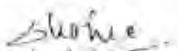
We hereby authorise you to deliver this letter of consent to the stock exchange(s) or any other regulatory authority as may be required by law.

The following details with respect to us may be disclosed:

Name : SBICAP Trustee Company Limited
Address : Apeejay House, 6th floor
3, Dinshaw Wachha Road, Churchgate,
Mumbai 400 020,
Telephone No. : 022-43025555
Fax No. : 022- 22040465
E-mail : corporate@sbicaptrustee.com
Website : www.sbicaptrustee.com
Contact Person : Mr. Ajit Joshi (Company Secretary & Compliance Officer)
Tel No. 022- 43025503
SEBI Registration No.: IND000000536

We confirm that we are registered with SEBI and that such registration is valid as on date of this letter.

Yours faithfully,


Authorised Signatory

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

R&T AGENT CONSENT LETTER- INTERGRATED ENTERPRISES (INDIA) LIMITED



October 23, 2014

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

Sir,

Sub.: Registrar for Proposed Issue of TANGEDCO 9.20% Bonds Sr-2/2014-15

We, Integrated Enterprises (India) Ltd. hereby testify and give our consent to act as Registrars to your proposed Bonds Issue for Rs.500 Crores with option to retain oversubscription upto additional Rs.500 Crores through Private Placement and to our name being inserted in the Information Memorandum as Registrar to the Issue, which TANGEDCO Intends to issue. Our SEBI Registration No. is INR000000544.

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

Thanking You,

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

Sriram S
Asst. General Manager

CIN NO.U65993TN1987PLC014964

INTEGRATED ENTERPRISES (INDIA) LIMITED

2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017
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Regd. Office : 5A, 5th Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017.



INPRINCIPLE LETTER- BSE LIMITED

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai-400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com



CIN NO:U67120MH2005PLC155188
DCS/COMP/RK/IP-PPDI/190/14-15

October 27, 2014

The Company Secretary
Tamil Nadu Generation and Distribution Corporation Limited
NPKRR Maaligai,
144-Anna Salai,
Chennai – 600 002

Dear Sir,

Re: Private Placement of State Government Guaranteed, Unsecured, Rated, Listed, Redeemable, Non-Convertible Taxable bonds of face value of Rs.10,00,000/- each for cash at par aggregating to Rs.500 crores plus Green Shoe option upto the amount of Rs. 500 Crores.

We acknowledge receipt of your application through online portal on October 27, 2014 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant In-principle approval for listing subject to fulfilling the following conditions:

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

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

Yours faithfully,


Radhika Khatau
Associate Manager


Gunjan Jain
Asst. Manager

BANKER CONSENT LETTER- STATE BANK OF INDIA



பாரத ஸ்டேட் பாங்கு
भारतीय स्टेट बैंक
State Bank of India

வணிக கிளை, 232, என்.எஸ்.சி. போஸ் ரோடு, சென்னை-600 001.
वाणिज्यिक शाखा, 232, ने.सु.घ. बोस रोड, चेन्नई - 600 001.
Commercial Branch, 232, N.S.C. Bose Road, Chennai - 600 001.
फैक्स Fax : 044-2534 2476 ई-मेल e-mail : sbi.07347@sbi.co.in
SWIFT BIC Code : SBININBB126, IFSC Code : SBIN0007347

RM I : Phone : 044-2534 1316, 2534 2074 Telefax : 044-2534 1316 RM III : Phone : 044-2534 1338, 2533 2369 Telefax : 044-2534 1338
 RM II : Phone : 044-2535 3722, 2534 2609 Telefax : 044-2535 3722 RM IV : Phone : 044-2534 3467, 2535 7410 Telefax : 044-2534 3467

TANGEDCO
NPKRR Maaligai,
144, Anna Salai
Chennai-600002

DFC/RES
24/10/14



RM-III- 212

Date:23.10.2014

Dear Sir,

RAISING FUNDS THRO' PRIVATE PLACEMENT OF BONDS
TO THE TUNE OF RS.500 Crs WITH OPTION TO RETAIN
OVERSUBSCRIPTION UPTO ADDL Rs.500 Crs IN TANGEDCO
BOND SERIES-2/2014-15 TO ACT AS COLLECTING BANKER

With reference to your letters No.009920/DFC/RES/A34/A342/2014-13 dated 21.10.2014 and No.46138/DFC/RES/A34/A342/2014-10 dated 21.10.14, we are agreeable to act as a collecting banker and escrow agent for the proposed issue. SBICAP Trustee Company Ltd will be approached to act as Bond Trustee .

Yours faithfully

AGM & RELATIONSHIP MANAGER-III

BANKER CONSENT LETTER- HDFC BANK



24th October 2014

To

**Thiru K. Govindan, M.Com., B.Ed.,AICWA.,
The Chief Financial Controller/General
Tamil Nadu Generation and Distribution Corporation Ltd
No.144 Anna Salai
Chennai**

Dear Sir,

Sub: Proposed Bond issue by Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) to the tune of Rs 500 Crs with option to retain oversubscription upto additional Rs 500 crs by way of Private placement at coupon rate of 9.20% p.a.

Ref: Letter No.46138/DFC/RES/A34/A342/2014-14, Dated: 21.10.2014

We, the undersigned, hereby consent to act as an Collection Bank to the TANGEDCO Bond issue Series-2/2014-15 and to our name and our details being inserted as Collection Bank and Banker to the Issue in the Prospectus proposed to be filed with the relevant authorities.

The following details with respect to us may be disclosed:

Name of the Bank	HDFC Bank Limited
Address	HDFC Bank Ltd, FIG Department, 9 th Floor, No. 115, Dr.Padma Krishnan Salai, Mylapore, Chennai – 600 004.
Tel:	044-28477282/283/285
Mobile:	(0)9382296817
Fax:	044-28477250
Email:	
Contact Person:	Mr. S. Mariappan, Relationship Manager

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

Yours faithfully,

For HDFC Bank Ltd


K. Parthasarathy
Deputy Vice President
FIs, PSUs & Govt. Business Group

PRIVATE & CONFIDENTIAL - FOR ADDRESSEE ONLY



TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED
(TANGEDCO)

(Government of Tamil Nadu Undertaking)

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

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

**"ADDENDUM - I" TO PRIVATE PLACEMENT OFFER LETTER/ INFORMATION MEMORANDUM
DATED 30th OCTOBER 2014**

PRIVATE PLACEMENT OF STATE GOVERNMENT GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON CONVERTIBLE TAXABLE BONDS OF RS. 10.00 LACS EACH FOR CASH AT PAR AGGREGATING TO Rs. 500 CRORES PLUS GREEN SHOE OPTION UPTO THE AMOUNT OF Rs. 500 CRORES BY TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED ("TANGEDCO"/ "THE ISSUER") SERIES-2/2014-15.

This is with reference to "Private Placement Offer Letter/ Information Memorandum Dated 30th October 2014" regarding our issue of State Government Guaranteed, Unsecured, Rated, Listed, Redeemable, Non Convertible Taxable Bonds of Rs. 10.00 Lacs Each for cash at par aggregating to Rs. 500 Crores Plus Green Shoe Option upto the amount of Rs. 500 Crores under private placement by Tamil Nadu Generation And Distribution Corporation Limited ("Tangedco" / "The Issuer") "Series 2/ 2014-15".

This is to inform you that the date of allotment is revised from 31st December 2014 to 18th December 2014.

Effectively, the Call Option date, Put Option date mentioned on page no 54 stands revised from 31st December 2021 to 18th December 2021 and the Disclosure of cash flows containing details of coupon payment dates and redemption dates mentioned on page no. 48 and 49 of "Private Placement Offer Letter/ Information Memorandum Dated 30th October 2014" stands revised as under:

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

COMPANY	TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED ("TANGEDCO" / "THE ISSUER")
Tenure	10 Years
Face Value (per security)	Rs. 10,00,000/- per bond (Rs. Ten Lakh only)
Deemed Date of Allotment	18 th December 2014
Redemption	1. 30% at the end of 8 th year 2. 30% at the end of 9 th year 3. 40% at the end of 10 th year
Coupon Rate	9.20% p.a (payable semi-annually) from the date of allotment
Frequency of the interest payment with specified dates	First interest payment on 18 th June 2015 and subsequently on 18 th December and 18 th June; semi-annually till maturity.
Day count Convention	Actual/ Actual

CASH FLOWS	DATE	NO. OF DAYS IN COUPON PERIOD	AMOUNT (IN RUPEES)
1st Coupon	Thursday, 18 June, 2015	182	45,874
2nd Coupon	Friday, 18 December, 2015	183	46,126
3rd Coupon	Saturday, 18 June, 2016	183	46,000
4th Coupon	Monday, 19 December, 2016	184	46,251

ADDENDUM - I

5th Coupon	Monday, 19 June, 2017	182	45,874
6th Coupon	Monday, 18 December, 2017	182	45,874
7th Coupon	Monday, 18 June, 2018	182	45,874
8th Coupon	Tuesday, 18 December, 2018	183	46,126
9th Coupon	Tuesday, 18 June, 2019	182	45,874
10th Coupon	Wednesday, 18 December, 2019	183	46,126
11th Coupon	Thursday, 18 June, 2020	183	46,000
12th Coupon	Friday, 18 December, 2020	183	46,000
13th Coupon	Friday, 18 June, 2021	182	45,874
14th Coupon	Saturday, 18 December, 2021	183	46,126
15th Coupon	Saturday, 18 June, 2022	182	45,874
16th Coupon	Saturday, 17 December, 2022	182	45,874
Principal 30%	Saturday, 17 December, 2022		300,000
17th Coupon	Saturday, 17 June, 2023	182	32,112
18th Coupon	Monday, 18 December, 2023	184	32,465
Principal 30%	Monday, 18 December, 2023		300,000
19th Coupon	Tuesday, 18 June, 2024	183	18,400
20th Coupon	Wednesday, 18 December, 2024	183	18,400
Principal 40%	Wednesday, 18 December, 2024		400,000
TOTAL			1,837,124

Notes:

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

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

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

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

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

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

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

For TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED.

Authorised Signatory

Date: 17th December 2014

Place: Chennai


S. ARULSAMY,
 M.Com., A.I.C.W.A., A.C.S., B.G.L., B.Ed.,
 Director / Finance
TANGEDCO
 144, Anna Salai, Chennai - 600 002.