

*(This document is neither a "Prospectus" nor a "Statement in Lieu of Prospectus". This is a Disclosure Document prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008).*



## TAMIL NADU POWER FINANCE & INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.

(A Government of Tamil Nadu Enterprise)

**Regd. Office:** Tufidco - Powerfin Tower, 490 / 3-4, Anna salai Nandanam, Chennai - 600 035.

**Tel:** 044 - 2432 9945 / 24329946; **Fax:** 044 24329914; **E-Mail :** [powerfin@md3.vsnl.net.in](mailto:powerfin@md3.vsnl.net.in)

**Website:** [www.tnpowerfinance.com](http://www.tnpowerfinance.com)

### DISCLOSURE DOCUMENT OF PRIVATE PLACEMENT FOR POWERFIN BONDS -1/2012-13 AGGREGATING RS.250 CRORES WITH GREEN SHOE OPTION UPTO RS. 250 CRORES.

#### 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.

#### COMPANY PROFILE


- Wholly owned by Government of Tamilnadu.
- Registered with RBI as a Non Banking Finance Company vide Regn no: 07.00389
- Mobilizes funds through various attractive Deposit Schemes.
- Provides Financial Assistance to Power and Infrastructure Projects and provides funds to Tamil Nadu Electricity Board, now, TANGEDCO/TANTRANSCO.
- Managed by the Chairman and Managing Director under the Board of Directors where senior IAS officers / Professionals are Directors.
- Consistently making profit since its inception in 1991. Declaring dividend @ 20% on paid up equity share capital continuously.
- Deposit Schemes are as per RBI Guidelines.

#### BOND HIGHLIGHTS

- State Government guaranteed Rated, Listed Redeemable, and Non- Convertible Bonds in the form of debentures (Bonds).
- Coupon Rate of 9.67% p.a. payable semi –annually from the date of allotment.
- Maturity: 10 years with redemption at the end of 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> year in the ratio of 30:30:40.
- Put/Call Option at the end of 7<sup>th</sup> year.

**ARRANGERS TO THE ISSUE**

 <p><b>Axis Bank Ltd.</b> Central Office, 111, Maker Tower 'F', Cuffe Parade Colaba, Mumbai – 400 005. Tel: (022) 22189106-08 Fax: 91-22-22162467</p>	 <p><b>Almondz Global Securities Limited.</b> 2<sup>nd</sup> Floor, 3 Scindia House, Janpath, New Delhi - 110 001 Tel No. (011) 41514666 - 669 Fax No. +91-11-41514665</p>	 <p><b>Trust Investment Advisors Pvt. Ltd.</b> 109//110, 1st Floor, Balrama, Village Parigkhari; Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Tel. : (022) 30681150 Fax.: 91-22-40845066/07</p>
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<p><b>Trustee For the bondholders</b></p>  <p><b>SBICAP Trustee Co. Ltd.</b> 8, Khetan Bhavan, 5th Floor, 198, J. Tata Road, Church gate, Mumbai - 400 020 Tel: 022-4302 5555; Fax: 022-4302 5500</p>	<p><b>Registrar to the issue</b></p>  <p><b>Cameo Corporate Services Limited</b> "Subramanian Building" No.1, Club House Road; Chennai 600 002 - India. Ph : 91-44 - 2846 0390 (5 lines) Fax : 91-44 - 2846</p>	<p><b>Banker to the issue</b></p>  <p><b>State Bank of India, 6/36, Sriman Srinivasan Road, Off TTK Road, Alwarpet, Chennai 600 018.</b> Phone No. : 044 24992397 Fax No. : 044 24988145</p>
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***Issue Schedule***

Placement Opening Date	01 <sup>st</sup> August 2012
Placement Closing Date	18 <sup>th</sup> August 2012
Deemed Date of Allotment (DDA)	Within 15 Working days from the date of closure of the issue.

*The issuer reserves the right to close the issue earlier from the aforesaid date or change the issue time table including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice.*

## **DISCLAIMER**

### **GENERAL DISCLAIMER**

This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds to be issued by TAMIL NADU POWER FINANCE & INFRASTRUCTURE DEVELOPMENT CORPORATION LTD (the "Issuer"/ the "Company"/ the "Issuer Company"). The document is for the exclusive use of the Institutions to whom it is delivered and it should not be circulated or distributed to third party (ies). TAMIL NADU POWER FINANCE & INFRASTRUCTURE DEVELOPMENT CORPORATION LTD certifies that the disclosures made in this document are generally adequate and are in conformity with the captioned SEBI Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue.

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

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

### **DISCLAIMER OF THE LEAD ARRANGERS**

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

### **DISCLAIMER OF THE ISSUER**

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

#### **DISCLAIMER OF THE STOCK EXCHANGE**

As required, a copy of this Disclosure Document has been submitted to the Bombay Stock Exchange. (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 Company. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER 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 Company 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.

#### **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.

I. **NAME AND ADDRESS OF THE REGISTERED OFFICE OF THE ISSUER.**

**TAMIL NADU POWER FINANCE & INFRASTRUCTURE DEVELOPMENT CORPORATION LTD**

Regd.Office: Tufidco - Powerfin Tower", 490 / 3-4,  
Anna salai Nandanam, Chennai - 600 035.  
Tel: 044 - 2432 9945 / 24329946;  
Fax: 044 24329914;  
**E-Mail:** [powerfin@md3.vsnl.net.in](mailto:powerfin@md3.vsnl.net.in)

**Compliance Officer Details:**

Tmt. S. Sujatha, General Manager,  
Tamilnadu Power Finance & Infrastructure Development Corporation Limited,  
TUFIDCO-POWERFIN Tower, No. 490/3-4, Anna Salai,  
Nandanam, Chennai 600035.  
Tel: 044-24329924/ Fax No. 044-24329914

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

II. **NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER**

1. **THIRU RAMESH KUMAR KHANNA, IAS.,**  
**Chairman and Managing Director (Full Additional Charge)**  
TN Power Finance & Infrastructure Development Corporation Ltd.,  
No.490/3 -4, Anna Salai, Nandanam, Chennai- 600 035.
2. **THIRU RAMESH KUMAR KHANNA, IAS.,**  
Principal Secretary to Government  
Energy Department. Secretariat, Chennai- 600 009.
3. **THIRU RAJEEV RANJAN, IAS.,**  
Chairman cum Managing Director  
Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO),  
800, Anna Salai, Chennai 600 002
4. **THIRU S. KRISHNAN, IAS.,**  
Secretary to Government (Expenditure)  
Finance Department  
Secretariat, Chennai -600 009.
5. **THIRU SUDEEP JAIN, IAS.,**  
Chairman and Managing Director  
Tamil Nadu Energy Development Agency  
College Road, Chennai- 600 006.
6. **THIRU PRAKASH GOVINDASAMY, IAS.,**  
Joint Secretary to Government  
Industries Department,  
Secretariat, Chennai -600 009.
7. **THIRU G. RAJAGOPAL,**  
**DIRECTOR/ FINANCE**  
Tamil Nadu Generation and Distribution  
Corporation Limited (TANGEDCO)  
800, Anna Salai, Chennai- 600-002

**MANAGEMENT TEAM:**

<b><u>Name</u></b>	<b><u>Designation</u></b>
Thiru. Ramesh Kumar Khanna, I.A.S.,	Chairman and Managing Director, TN Power Finance. I/C
Tmt. S. Sujatha	General Manager
Thiru A.Rajasekar	Manager (Deposits)
Thiru S.Elangovan	System Analyst

**III. BRIEF HISTORY:**

The Tamil Nadu Power finance and Infrastructure Development Corporation Limited (TNPFDCL) was established in 1991 and is wholly owned by the Government of Tamil Nadu.

It is a Non-Banking Finance Company which fulfills the objective of mobilizing funds through normal commercial channels to provide financial assistance for the development of power and infrastructure projects within the state of Tamil Nadu particularly for the schemes relating to generation, transmission and distribution net work of Tamil Nadu Electricity Board (TNEB) now TANGEDCO/TANTRANSCO.

The paid up equity capital of TNPFDCL is Rs. 50 Crores. The Corporation is a profitable entity and over the years, the net worth has risen to Rs. 397.60 crores (31/03/2011) due to the accretion of profits to reserves. Mainly, the corporation raises resources through mobilizing fixed deposits. Its lending profile consists of Hire Purchase Loan and term loans for projects of power sector.

**IV. SUMMARY OF BUSINESS:**

TNPFDCL raises deposits from the public through aggressive publicity campaigns and focused depositors meet and mobilization drives. The Corporation offers deposit schemes, with periods ranging between 12-60 months. TNPFDCL offers depositors the choice between a regular interest payment scheme (RIPS) and a Cumulative Interest Payment Scheme (CIPS). In the former, the depositor receives interest at regular intervals while in the latter, the interest is re-invested in the deposit and a gross payment made at the time of maturity of deposits.

Tamil Nadu Power Finance and Infrastructure Development Corporation Limited have been notified as Public Financial Institution vide Notification No. S.O. 20(E) dated 9<sup>th</sup> January 2007 by the Government of India, Ministry of Company affairs.

As on 31<sup>st</sup> March 2012 the corporation has around 24,05,274 depositors and a sum of about Rs. 6788.99 crores as net deposits at its disposal. The details of deposits are as follows.

Sr. No.	Year	No. of Depositors	Amount (Rs. In Crores)
1.	1991-92	816	2.09
2.	1992-93	2585	7.14
3.	1993-94	4691	35.55
4.	1994-95	7192	138.40
5.	1995-96	8239	167.73
6.	1996-97	9600	264.00
7.	1997-98	13899	361.38
8.	1998-99	14912	304.24
9.	1999-00	31315	455.73
10.	2000-01	57972	735.22
11.	2001-02	75905	961.13
12.	2002-03	88230	1158.82
13.	2003-04	98250	1474.70
14.	2004-05	123613	1800.64
15.	2005-06	179091	2026.63
16.	2006-07	221050	2100.96
17.	2007-08	274365	2657.96
18.	2008-09	350836	3577.28
19.	2009-10	415211	4766.00
20.	2010-11	475261	5090.42
21.	2011-12	2469065	6951.56

TNPFIDCL achieved self-sufficiency around 1997-98. Prior to that, it was managing through utilization of state funding between 1991-97. The Government of Tamil Nadu provided funding to the tune of Rs. 815 Crores via debentures and via long-term loans. The Corporation has repaid the dues to the government in a phased manner and as on 31.03.2010 there are no dues pending to the government.

Since 1999-2000, TNPFIDCL has discontinued its leasing activities although it had disbursed over Rs. 178 Crores through this route between 1993-2000. It has gross outstanding term loans and hire-purchase exposure of Rs. 7828.78 crores with TNEB as of March 2012. The year wise details of funding to TNEB are as follows:

Sr. No.	Financial Year	Hire Purchase	Term Loan	Lease	Total
1.	1991-92	52.08	10.00	0.00	62.08
2.	1992-93	73.35	10.00	0.00	83.35
3.	1993-94	106.45	0.00	9.01	115.46
4.	1994-95	129.54	282.44	10.21	422.19
5.	1995-96	189.38	100.00	32.77	322.15
6.	1996-97	235.08	0.00	20.01	255.09
7.	1997-98	170.11	32.00	19.88	221.99
8.	1998-99	91.02	10.00	21.31	122.39
9.	1999-00	244.65	0.00	26.73	270.88
10.	2000-01	364.54	0.00	38.71	403.25
11.	2001-02	377.92	61.00	0.00	438.92
12.	2002-03	318.10	200.50	0.00	518.80
13.	2003-04	469.41	211.00	0.00	680.41
14.	2004-05	404.22	489.00	0.00	893.22
15.	2005-06	501.12	205.00	0.00	706.12
16.	2006-07	679.50	258.00	0.00	937.50

17.	2007-08	987.88	428.00	0.00	1415.88
18.	2008-09	981.55	1126.00	0.00	2107.55
19.	2009-10	665.19	1943.00	0.00	2608.19
20.	2010-11	454.71	1757.00	0.00	2211.71
21.	2011-12	273.39	4040.00	0.00	4313.39

TNPFIDCL had also funded other Government Agencies like Poompahar Shipping Corporation Ltd. and Tamil Nadu Industrial Investment Corporation Ltd, for its on lending to Wind Mill Projects. The funds provided for these institutions are Rs. 150 crores. All the dues has been collected from TNEB and other Government organizations on the respective due dates. As on 31/03/2012 there are no Non Performing Assets.

The Corporation has been making profits consistently from the year 1991-92. The Corporation has been declaring dividend at 20% on the face value of its equity to Government of Tamil Nadu since 1995-96. TNPFIDCL accumulated net profits of Rs. 415.68 crore upto 31.03.2011. So far a sum of Rs 71.42 crore has been paid as dividend as detailed below

Sr.No.	Year	Amount (Rs. In Crore)		Net Worth
		Dividend	Profit after Tax	
1	1991-92	0.00	0.14	1.01
2	1992-93	0.00	0.40	1.06
3	1993-94	0.00	1.15	11.74
4	1994-95	0.00	1.77	23.51
5	1995-96	2.22	6.35	37.64
6	1996-97	2.40	8.53	48.96
7	1997-98	3.40	11.46	61.64
8	1998-99	4.40	15.02	71.82
9	1999-00	4.40	12.88	76.54
10	2000-01	4.40	12.95	84.03
11	2001-02	4.40	20.56	99.94
12	2002-03	4.40	22.71	118.99
13	2003-04	4.40	24.22	138.07
14	2004-05	4.40	26.70	159.76
15	2005-06	4.40	31.50	184.06
16	2006-07	4.40	43.67	222.70
17	2007-08	4.40	32.28	248.88
18	2008-09	4.40	37.61	281.32
19	2009-10	5.00	41.35	344.79
20	2010-11	10.00	64.43	397.60
	<b>Total</b>	<b>71.42</b>	<b>415.68</b>	



**V. DETAILS OF DEBT SECURITIES ISSUED AND SOUGHT TO BE LISTED INCLUDING FACE VALUE, NATURE OF DEBT SECURITIES MODE OF ISSUE I.E. PUBLIC ISSUE OR PRIVATE PLACEMENT.**

**TERM SHEET:**

Issuer	TAMIL NADU POWER FINANCE & INFRASTRUCTURE DEVELOPMENT CORPORATION LTD
Issue Size	Rs.250 crores with a Green shoe option to retain oversubscription up to Rs.250 crores
Face Value	Rs. 10,00,000/- per bond
Issue Price	At par
Nature of Debt Securities & Guarantee/Security	1) State Government guaranteed, Rated, Listed, Redeemable, Non Convertible Bonds in the form of debentures.  2) Unconditional and irrevocable guarantee from Government of Tamil Nadu for timely payment of interest and repayment of principal amount on due dates in respect of private placement of bonds in the form of debentures.
Rating	1. BWR A (SO) by M/s. Brickwork Ratings India Pvt.Ltd. 2. (ICRA) A-(SO) by M/s.ICRA Limited.
Mode of Issue	Private Placement
Tax status	Taxable
Tenure	10 Years
Put/ Call Option	At the end of 7 <sup>th</sup> year
Coupon Rate	9.67% p.a (payable semi – annually from the date of allotment)
Periodicity of Interest Payment	Semi – Annually
Redemption Date	1. 30% at the end of 8th year 2. 30% at the end of 9th year 3. 40% at the end of 10th year
Interest on application money	At the coupon rate (i.e. @ 9.67% p.a.) From the date of realization of cheque / DD / RTGS – till one day prior to date of allotment.
Minimum Application Size	1 Bond and in multiples of one Bond thereafter
Listing	The Debentures will be listed on the WDM segment of the Bombay Stock Exchange (BSE).
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Instrument form & Settlement mode	De-materialized
Credit Enhancement	Escrow Mechanism
Arrangers	Axis Bank , Almondz Global Securities Limited and Trust Investment Advisors Pvt. Ltd
Debenture Trustee	SBICAP Trustee Co. Ltd.

**PLACEMENT TIME TABLE**

Placement Opening Date	01 <sup>st</sup> August 2012
Placement Closing Date	18 <sup>th</sup> August 2012
Deemed Date of Allotment (DDA)	Within 15 Working days from the date of closure of the issue.

*(Note: Tamil Nadu Power Finance & Infrastructure Development Corporation Ltd reserves the right to vary any of the above dates at its discretion, without assigning any reasons or prior notice in consultation with the Arrangers. The dates given in this Disclosure Document would accordingly stand altered to give effect to the same.)*

VI. **ISSUE SIZE**

Rs.250 crores with a Green shoe option to retain oversubscription up to Rs.250 crores

VII. **DETAILS OF UTILIZATION OF THE ISSUE PROCEEDS.**

To part fund capital expenditure of TANGEDCO.

VIII. **A STATEMENT CONTAINING PARTICULARS OF THE DATES OF, AND PARTIES TO ALL MATERIAL CONTRACTS, AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER.**

**A. MATERIAL CONTRACTS**

a. Copy of letter appointing **Cameo Corporate Services Limited** as Registrar and Transfer Agent.

b. Copy of letter appointing **SBICAP Trustee Co. Ltd.** as Trustee to the Bondholders.

**B. Document**

(i) Credit Rating Letters for the current placement

(ii) Board resolution approving the current private placement of bonds

(iii) Consent letters of the registrar and the trustee of the Bond holders

IX. **DETAILS OF OTHER BORROWINGS INCLUDING ANY OTHER ISSUE OF DEBT SECURITIES IN PAST**

NIL

X. **ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE OR SUBSEQUENT TO THE ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECUTITIES.**

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

XI. **PARTICULARS OF THE DEBT SECURITIES ISSUED (I) FOR CONSIDERATION OTHER THAN CASH**

The Company hereby confirms that it has not issued any debt securities or agreed to issue any 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.

NIL

**XII. LIST OF HIGHEST TEN HOLDERS OF EACH CLASS OR KIND OF SECURITIES OF THE ISSUER AS ON THE DATE OF APPLICATION ALONG WITH PARTICULARS AS TO NUMBER OF SHARES OR DEBT SECURITIES HELD BY THEM AND THE ADDRESS OF EACH SUCH HOLDER**

SR.NO	NAME & DESIGNATION OF THE OFFICERS	NO. OF SHARES HELD
1.	His Excellency Hon'ble Governor of Tamil Nadu	49,99,99,920
2.	<b>THIRU RAMESH KUMAR KHANNA, IAS.,</b> Chairman and Managing Director. I/C TN Power Finance & Infrastructure Development Corporation Ltd.,	20
3.	<b>THIRU RAMESH KUMAR KHANNA, IAS.,</b> Principal Secretary to Government Energy Department.	10
4.	<b>THIRU RAJEEV RANJAN, IAS.,</b> Chairman cum Managing Director Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO)	10
5.	<b>THIRU S. KRISHNAN, IAS.,</b> Secretary to Government (Expenditure) Finance Department	10
6.	<b>THIRU SUDEEP JAIN, IAS.,</b> Chairman and Managing Director Tamil Nadu Energy Development Agency	10
7.	<b>THIRU PRAKASH GOVINDASAMY, IAS.,</b> Joint Secretary to Government Industries Department, Secretariat,	10
8.	<b>THIRU G. RAJAGOPAL,</b> <b>DIRECTOR/ FINANCE</b> Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO)	10

**XIII. 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.

**XIV. REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION.**

**Redemption**

1. 30% at the end of 8th year
2. 30% at the end of 9th year
3. 40% at the end of 10th year

**Maturity**

Ten Years

**Coupon Rate**

9.67% p.a (payable semi – annually from the date of allotment)

**XV. INFORMATION RELATING TO THE TERMS OF OFFER OR PURCHASE.**

**PRESENT PLACEMENT**

Tamil Nadu Power Finance & Infrastructure Development Corporation Ltd proposes to raise Rs. 250 Crores with green shoe option up to Rs. 250 crores through placement of 2500 Bonds of face value of Rs. 10,00,000/- each by Private Placement.

**AUTHORITY FOR THE PLACEMENT**

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 26<sup>th</sup> July, 2012.

**OBJECT OF THE PLACEMENT**

To part fund capital expenditure of TANGEDCO.

**NATURE OF INSTRUMENT**

State Government guaranteed Rated, Listed Redeemable, and Non- Convertible Bonds in the form of debentures.

**GUARANTEE**

The Bonds are unconditionally and irrevocably, guaranteed as to the timely repayment of principal and payment of interest, by Government of Tamil Nadu.

**FACE VALUE**

Each Bond shall have a face value of Rs. 10,00,000/- (*Rupees Ten lacs only*).

**CREDIT RATING:**

Provisional - BWR A (SO) by M/s.Brickwork Ratings India Pvt.Ltd. and Conditional - (ICRA) A-(SO) by M/s. ICRA Limited.

**TRANSACTION STRUCTURE/ CREDIT ENHANCEMENT FEATURES:**

Credit Enhancement	Government of Tamil Nadu shall give an unconditional, irrevocable, and continuing guarantee for the timely and full repayment of principal and interest due there on during the entire tenure of bonds. The invocation of the guarantee will be operated by a trigger mechanism as stipulated below.
Appointment of Trustee	The entity shall appoint a trustee to the bondholders. The bondholders shall be deemed to have given consent to and authorized the trustee to, inter alia, exercise all the rights and remedies of the bond holders on their behalf without any reference to the bondholders.
Tripartite Agreement	The transaction structure as discussed herein stipulates a Tripartite Agreement between the entity, government of Tamil Nadu and the trustee to the bondholders. The tripartite agreement is to be executed before the withdrawal of funds from the No-lien issue account, as provided herein below and no later than 90 days subsequent to the date of allotment of the rated bonds, unless the trustee to the bondholders allows an extension of the same.
Issue Account	The entity will open a no-lien issue account. The proceeds raised from the issue of the bonds shall be credited into the main collection account of the issuer on daily basis pending allotment.  <b>Note: As per the arrangement, TNPFDCL will withdraw/ transfer the clear balance of the collection amount (received per day till closure of the issue) on the same day to their general account for their utilization.</b>
Compliance Certificate	The trustee shall ensure that all the terms and conditions of the transaction structure including execution of requisite legal documents as stipulated by ICRA for the rated structured obligation as discussed herein are complied with and there after issue a compliance certificate to the entity, and forward copies of the same to ICRA and the designated bank, and subsequently permit withdrawals of the proceeds of the bonds from the issue account. Any exceptions to this must be specifically approved by the trustee to the bondholders by the issuance of a “No Objection for withdrawal certificate”, a copy of which must

	<p>provided to ICRA before any withdrawal of funds from the issue account.</p> <p>The designated bank shall be given a standing instruction that unless it receives a copy of the compliance certificate from the trustee within the time stipulated hereunder, it shall not permit withdrawal of funds by the entity from the issue account.</p> <p>Upon receipt of the compliance certificate from the trustee and the executed tripartite agreement within 90 days from the date of allotment of the bonds, ICRA shall issue a final rating letter. In the event that the compliance certificate and the executed tripartite agreement are not received within 90 days from the date of allotment of the bonds, ICRA will review the status of compliance with the terms of the structure obligation. ICRA reserves the right to suspend, withdraw, or revise the assigned rating.</p>
Escrow Account	<p>The entity will open a no-lien escrow account (in the nature of trust and retention account) with a designated bank before the allotment of the bonds. The amount to be paid to the bondholders is to be credited into the escrow account. Any amount credited into the escrow account shall be held in trust only for the benefit of the bondholders. All withdrawals from the said escrow account shall be made only after obtaining the approval from the trustee to the bondholders and such withdrawal shall be exclusively for (a) payment of principal and/or interest to the bondholders and/or (b) for making investments, as provided herein below.</p> <p>Any credit balance lying in the escrow account can be withdrawn, with the approval of the trustee, by the entity at the end of the tenure of the bonds when all the dues to the bondholders have been paid.</p>
Intimation to Government of Tamil Nadu	<p>45 working days prior to the due date for payment of interest and/or principal, the trustee shall send notices to the finance secretary and/or designated official, government of Tamil nadu and the entity, with a copy to ICRA, indicating (a) the forthcoming due date and (b) the amount payable to the bondholders as interest and/or principal on the said due date and shall also request government of Tamil Nadu</p>

	to ensure that adequate funds are available in the escrow account for servicing the bond holders as per the payment mechanism provided herein below.
Monitoring of the escrow account	The trustee will monitor the balance in escrow account including invested funds as provided herein below, 10 working days prior to every due date for payment of interest and/or principal. In the event that the balance in escrow account, after taking into account invested funds as provided herein below is inadequate, the trustee shall send further notices to the finance secretary and/or designated official, government of Tamil Nadu and the entity, with a copy to ICRA, as described above. The trustee shall take all the necessary steps (including invocation of the guarantee) as provided herein in case of a shortfall.
Payment Mechanism	<p>The entity shall credit adequate funds in the escrow account for servicing the bond holders at least 5 days prior to the forthcoming due date for payment of principal and/or interest.</p> <p>As and when the funds are credited in the escrow account, the entity and/or the designated bank shall send to the trustee a written confirmation regarding balance of funds in the said escrow account.</p> <p>The cheques for the payment of interest and/or principal shall be dispatched to the bond holders at least 5 working days prior to the due date for payment.</p>
Event of shortfall and invocation of guarantee	If, on the 5 <sup>th</sup> working day prior to every due date for payment of interest and/or principal, the amount in the said escrow account, after taking steps as mentioned in above clause on investments of funds in the escrow account is not sufficient for servicing the bondholders on the forthcoming due date for payment of principal and/or interest, the trustee shall forthwith invoke the guarantee issued by Government of Tamil Nadu on invocation of the guarantee, Government of Tamil Nadu must transfer funds into the escrow account to the extent of short fall at least one working day prior to the due date.
Other terms	<p>Oversubscription if any shall be refunded to the investors after completion of the allotment process.</p> <p>Notwithstanding anything to the contrary</p>

	contained in any agreement and/or transaction documents relating to the bonds, the ICRA structure conditions shall prevail in case of any inconsistency.
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### **LISTING**

The bonds of the Company are proposed to be listed on The Bombay Stock Exchange, Mumbai.

### **BONDS TO BE ISSUED ONLY IN DEMATERIALIZED FORM**

The TNPFDCL will execute an agreement with National Securities Depository Limited & Central Depository Services (India) Limited (CDSL) for dematerialization of bonds. The 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.

In this context the Company will enter into two tripartite agreements as under:

1. Tripartite Agreement between TNPFDCL, Cameo Corporate Services Limited and National Securities Depository Ltd. for offering depository option to the investors.
2. Tripartite Agreement between TNPFDCL, Cameo Corporate Services Limited and Central Depository Services (India) Ltd. for offering depository option to the investors.

### **UNDERWRITING**

The present issue is not underwritten.

### **DEEMED DATE OF ALLOTMENT**

The Deemed Date of Allotment shall be within 15 days from the closure of the placement or any other prior date as modified by TNPFDCL whichever is earlier.

### **LETTER OF ALLOTMENT**

TNPFDCL will make allotment to the investors in due course after verification of the Application Form(s), the accompanying documents and on realization of the application money. The Corporation will dispatch the Letter(s) of Allotment or Allotment advises to the investors within 30 days from the deemed date of allotment.

### **WHO CAN APPLY**

Person's who have been addressed through a communication directly, are only eligible to apply. The categories of persons to whom the communication has been directed are:

1. Provident Funds, Superannuation funds and Pension, Gratuity Funds.
2. Commercial Banks,
3. Financial Institutions,
4. Insurance Companies, societies registered under the applicable laws in India and authorized to invest in bonds.
5. State/Central Co-operative Banks, Development Co-operative Banks, Land Development Banks, RRBs, Primary Co-operative Banks.
6. Port Trusts.
7. Mutual Funds, Companies, Bodies Corporate, Association of Persons and Individuals.



8. Others (subject to prevalent regulations) to whom a specific invitation has been made to subscribe to the Bonds.
9. Scientific and/or Industrial Research Organizations, authorized to invest in bonds.
10. Other Government and Non-government agencies authorized to invest in these bonds as per present and relevant government guidelines.

*Please note that only those to whom this memorandum is addressed by name can apply.*

#### **APPLICATION BY INDIVIDUALS**

Individuals are also entitled to apply to the bond issue subject to the application qualifying for the minimum application amount and is valid in all other respects. Those desirous of claiming tax exemptions on interest on application money are compulsorily required to submit relevant declaration Form (as per I.T. Act 1961) along with the Application Form. For subsequent interest payments, such Forms have to be submitted periodically.

In the case of joint applications, the number of such applicants should not be more than three. All communications and cheques for interest/redemption will be addressed to the applicant whose name appears first, at the address stated in the application form/register of Bondholders.

#### **Nomination Facility**

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

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

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. TNPFCDL 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. 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 vide 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 upto 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.

Application 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 TRUSTS.**

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.

#### **APPLICATIONS UNDER POWER OF ATTORNEY**

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

#### **DOCUMENTATION TO BE PROVIDED BY INVESTORS**

Investors need to submit the following documentation, along with the application form, as applicable in addition to documents under '*Know Your Customer (KYC) Guidelines-Anti Money Laundering Standards*'

- Memorandum and Articles of Association/ Documents Governing Constitution
- Resolution authorizing investment.
- Certified True Copy of the Power of Attorney
- Specimen signatures of the authorized signatories duly certified by an appropriate authority.
- Form 15AA/15H for investors seeking exemption from Tax deducted at source from interest.

#### **MINIMUM APPLICATION**

The application should be for a minimum of one (1) bond.

#### **HOW TO APPLY**

The full face value of the Bond is payable on application. The application should be accompanied with the cheque(s)/ RTGS details, Demand draft(s) for the total amount of face value of Bonds applied for subscription.

All applications for the bonds must be made in the prescribed form, and must be completed in block letters in English. The completed Application form along with cheque(s)/ RTGS details, Demand draft(s) for the requisite amount, and other necessary documents may either be submitted with the Arrangers or may be deposited directly with the Collecting Banker.

For detailed instruction, please see the enclosed Application Form.

**UNDERTAKINGS FROM THE ISSUER: TNPFDCL** hereby undertakes

- i) That the complaints received in respect of the issue shall be attended expeditiously and satisfactorily.
- ii) That all steps for completion of the necessary formalities and commencement of trading at BSE will be taken within 7 working days of finalisation of the allotment of securities.
- iii) That **TNPFDCL** shall apply in advance for listing of the securities at BSE.
- iv) That the funds required for despatch of refund orders/allotment letters/certificates by registered post shall be made available to the Registrar to the issue.
- v) That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time.
- vi) That no further issue of securities shall be made till the securities offered through this Information Memorandum are listed or till the application moneys are refunded on account of non-listing etc.
- vii) That **TNPFDCL** shall forward the details of utilisation of the funds raised through the Bonds duly certified by the statutory auditors of **TNPFDCL**, to the Bond Trustees at the end of each half-year.
- viii) That **TNPFDCL** shall disclose the complete name and address of the Bond Trustee in the annual report.
- ix) That **TNPFDCL** shall provide a compliance certificate to the Bondholders (on yearly basis) in respect of compliance with the terms and conditions of issue of Information Memorandum as contained in the Information Memorandum, duly certified by the Bond Trustee.
- x) That necessary cooperation with the credit rating agency (ies) shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding

**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.

**SIGNATURES**

Signatures should be made in English or in any of the Indian Languages. If the signature is in any other language then it must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.

**INTEREST ON APPLICATION MONEY**

“Interest on application money shall be payable at coupon rate (subject to the deduction of Income Tax at Source at the applicable rate under Income Tax Act, 1961 & other statutory modification or re-enhancement thereof) from the date of realization of cheque(s)/demand drafts) upto one day prior to the deemed date of allotment. Such interest payments on the application money shall become payable alongwith the Letter of Allotment.”

## **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.

## **AMENDMENT OF THE TERMS OF THE BONDS:**

TNPFIDCL reserves the right to change the issue programme / structure. In the event of exercise of such a right, the investors will be intimated the revised schedule/ structure. Investors may note that in such an event, the dates and time mentioned will stand revised accordingly. TNPFIDCL may amend the terms of the Bond(s) at any time by a resolution passed at a meeting of the bondholders with the consent of the bondholders holding in the aggregate more than 50% in nominal value of the Bonds held and outstanding under the respective schemes from those present and voting.

## **ALLOTMENT PROCEDURE**

The allotment of bonds against the applications will be made on the first come first serve basis or in any other manner as may be decided by the TNPFIDCL in consultation with the Arrangers. However, TNPFIDCL in consultation with the Arrangers reserves the right to make the Allotment at its absolute discretion and will not be held liable for rejecting any application, either in whole or in part.

## **BOOK CLOSURE DATE**

The TNPFIDCL Register of Bondholders will be closed for the purposes of payment of interest or redemption of Bonds, as the case may be, 30 days prior to the respective due date.

## **BONDHOLDER NOT A SHAREHOLDER**

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

## **CONSENTS**

Consents in writing from the Trustees to the Bondholders, Registrars and the Bankers to the Issue to act in their respective capacities have been obtained and none of them have withdrawn their consent up to the date of delivery of a copy of this Information Memorandum to the BSE.

## **FICTITIOUS APPLICATIONS**

Any person who -

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

### **FORCE MAJEURE**

If the performance in whole or in part by the contract or any obligation under this contract is prevented or delayed by reasons of any eventuality for a period not exceeding 20 working days, the TNPFDCL may at its option to terminate this contract by notice in writing.

### **MODIFICATION OF RIGHTS**

The rights, privileges, terms and conditions attached to the Bond may be varied, modified or abrogated with the consent, in writing, of those holders of the Bond who hold at least three fourth of the outstanding amount of the Bond 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 TNPFDCL where such consent or resolution modifies or varies the terms and conditions of the Bond, if the same are not acceptable to the TNPFDCL.

### **IMPERSONATION**

Any person who-

- a) Makes in a fictitious name an application to a company of acquiring, or subscribing for any Securities therein, or
- b) Otherwise induces a company to allot or register any transferor of Securities therein to him, or any other person in a fictitious name shall be punishable under the extant laws.

### **INTEREST RATE**

The Bonds will carry interest at the coupon rate for tenure of 10 years, from the Deemed Date of Allotment. The interest will be paid from the Deemed Date of Allotment (subject to deduction of tax at source at the rates prevailing from time to time under the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof) and is payable half yearly. The interest payable shall be calculated by multiplying the coupon rate by the principal amount, multiplying such product by actual number of days in the interest period concerned dividing by 365 (in case of leap year by 366 days).The day count convention is **actual/actual basis**.

### **INTEREST PERIOD**

1. The first interest period is defined as the actual number of days falling between the Deemed Date of Allotment to the last day of the six month from that date including both the first date and the last date.
2. The last interest payment would be made on the redemption date along with the redemption of principal amount or where-in the put/call option is exercised the last interest payment date shall be the 10th year from the deemed date of allotment.

### **PAYMENT OF INTEREST**

The interest on bonds (subject to deduction of Income-Tax at source at the applicable rates under the Income-Tax Act, 1961 & other statutory modification or re-enactment thereof for which a certificate shall be issued by TNPFDCL) is paid semi annually till maturity with the first interest payment to the bond holders whose names appear on the register 30 days prior to the date of payment of interest.

The payment of interest will be made only to the first or sole registered bondholders. The first interest payment and the interest for the last interest payment or part thereof on the date of redemption shall be proportionate and all interest on the bonds shall cease on the date of final redemption in all events. The interest warrant will be dispatched to the bondholders by registered post/RTGS.

### **PUT OPTION AND CALL OPTION**

A Bondholder shall have the right to "Put" the Bonds i.e. get them redeemed at par at the end of 7<sup>th</sup> year from the date of allotment. For availing the facility, the bondholder shall forward the request in writing to TNPFDCL at least two months prior to due date which will also be the record date for payment of interest and redemption amount.

TNPFDCL shall have the right to "Call" the whole or any part of the Bonds i.e. redeem them at the end of 7<sup>th</sup> year from the date of allotment. For availing this facility TNPFDCL shall announce its intention to do so through a public notice in at least one (1) All India English and one (1) All India Hindi daily newspaper at least two months before the due date. In case TNPFDCL exercises the call option, interest on bonds shall cease on the expiry of 7 year from the date of allotment.

### **TAX DEDUCTED AT SOURCE**

Tax applicable under the Income-Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/ document, under section 193/197/197A of the Income Tax Act, 1961, if any must be lodged in duplicate at the office of TNPFDCL, at least 30 days prior to the interest payment date. Tax exemption certificate in respect of non- deduction of tax on interest on application money, must be submitted along with the Application Form to the satisfaction of the TNPFDCL.

TNPFDCL is following mercantile system of accounting hence provision of interest accrued but not due is to be made on 31<sup>st</sup> March every year. Tax will be deducted on the basis of list of subscribers outstanding as on 31<sup>st</sup> March and deposited with the income tax authorities as per the provisions of Income Tax Act. The requisite TDS form no. 16A will also be issued to the subscribers.

### **REDEMPTION**

The face value of the Bonds will be redeemed at par at the end 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> year in the ratio of 30:30:40 from the deemed date of allotment. The interest on the bonds will cease to accrue from the date of redemption.

The Bonds held in Dematerialized form shall be taken as discharged on payment of the redemption amount by the Corporation on maturity to the registered Bond holders whose name appears in the Register of bonds holders 30 days prior to the due date for payment of redemption amount. Such payment will be a legal discharge of the liability of the Corporation towards the Bondholder(s). On such payment being made, the Corporation will inform NSDL and accordingly the account of the Bondholder(s) with NSDL will be adjusted.

### **REGISTER OF BONDHOLDERS**

The Register of bondholders containing necessary particulars will be maintained by Finance Division in TNPFDCL at its Registered Office and all enquiries / correspondence relating thereto may be addressed to the compliance officer at the above mentioned address.

### **REGISTRATION AND GOVERNMENT APPROVALS**

This present issue of Bonds is being made in accordance with extant guidelines for floatation of State Government guaranteed Bonds as amended from time to time. The **TNPFDCL** 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 the **TNPFDCL** 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.



### **RIGHT TO REPURCHASE/REPLACEMENT OF BOND(S)**

TNPFIDCL shall have the power exercisable at its absolute discretion, from time to time, to repurchase from the open market, through market makers or otherwise at par, discount or premium, all or any of the Bonds at any time prior to the specified date of redemption. Such bonds may be cancelled (extinguished), held, resold or replaced. Where TNPFIDCL purchases bonds, TNPFIDCL shall have and shall be deemed always to have had the right to keep such Bonds alive for the purposes of resale or replace and in exercising such right, TNPFIDCL shall have and deemed always to have had the power to resell or replace the same bonds or by issuing other bonds in lieu thereof.

### **SUCCESSION**

In the event of demise of the holder of the Bonds, TNPFIDCL will recognize the executor or administrator of the deceased Bondholder, or the holder of succession certificate or other legal representative as having title to the Bonds. TNPFIDCL shall not be bound to recognize such executor, administrator or holder of the succession certificate, unless such executor or administrator obtains probate 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. TNPFIDCL 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 Bonds standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

### **RIGHTS OF BONDHOLDER(S)**

The Bondholder(s) will not be entitled to any rights and privileges of shareholders other than those available to them under the law. The Bond shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of the Corporation. The principal amount and interest, if any, on the Bond will be paid to the holder only, or in the case of joint-holders, to the person whose name stands first in the Register of Bondholders.

### **FURTHER BORROWINGS**

TNPFIDCL shall be entitled to raise funds in appropriate form including placement of Bonds/ Debentures (Secured or Unsecured), in any manner having such ranking in priority, parri passu or otherwise. TNPFIDCL will also be entitled to change its capital structure including issue of shares of any class, on such terms and condition, as TNPFIDCL may think appropriate without the consent of or intimation to the Bondholder(s) in this connection.

### **RIGHT TO ACCEPT/ REJECT APPLICATIONS**

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

### **REGISTRATION OF TRANSFER**

The necessary transfers of Bonds in DEMAT form will be effected by the depository, NSDL/CDSL. The concerned depositories shall inform the Registrars about the rightful owners of the Bonds for payment of interest and principal amount.

## **REFUNDS**

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 30 days from the Deemed Date of Allotment.

## **PAYMENTS AT PAR**

Interest as well as the redemption amount, shall be paid through RTGS/ instruments payable at par.

## **DESPATCH OF DOCUMENTS**

All the correspondence shall be dispatched by registered post to the address of the holder whose name appears first in the Register of Bond holders. This will be at the sole risk of the addressee.

## **GOVERNING LAW**

The Bonds are governed by and shall be construed in accordance with the existing Indian Law. Any dispute arising thereof on any account whatsoever. Will be subject to the jurisdiction of the Courts at Tamil Nadu only.

## **NOTICES**

The notices to the Bondholder(s) required to be given by the TNPFDCL shall be deemed to have been given if sent by ordinary post to the Sole/ First named registered holder(s) of the Bonds. All notices to be given by the Bondholder(s) shall be sent by the registered post or by hand to the TNPFDCL or to such persons at such address as may be notified by TNPFDCL from time to time.

## **GENERAL**

Over and above the aforesaid Terms and Conditions, the said Bonds shall be subject to the Terms and Conditions incorporated in the Application.

## **MISCELLANEOUS**

A Register of Bondholders shall be maintained at the Head Office of the TNPFDCL. Such Register shall be closed thirty (30) business days prior to each interest payment date. In case of dissolution/bankruptcy/insolvency/winding up of Bondholders, the Bond certificates shall be transmittable to the Legal Representative(s)/Successor(s) or the Liquidator, in accordance with the law on such terms as may be deemed appropriate by the TNPFDCL.

## **TRANSFERABILITY OF BONDS**

The normal procedure applicable for dematerialized securities shall be followed for transfer of Bonds in electronic form. In case of transfer (from one demat holder to another demat holder), the seller will give delivery instructions containing details of the buyer's DP account to his Depository Participant.

**BANKING DETAILS:**

Applications should be accompanied by cheque or RTGS or Demand Draft payable in favour of **"TAMIL NADU POWER FINANCE & INFRASTRUCTURE DEVELOPMENT CORPORATION LTD"** and crossed **"Account Payee Only"** and may be drawn on any bank including a Co-operative Bank, which is a member or a sub-member of the Bankers clearance House, located at the place where the application forms are submitted. Outstation cheques, money orders, stock invests, cash or postal orders will not be accepted.

IFS Code : SBIN0002190

MICR No. : 600002003

A/c. No. : 32454410208

Full address of the Bank : State Bank of India, 6/36, Sriman Srinivasan Road, Off TTK Road, Alwarpet, Chennai 600 018.

Contact details : Phone No. : 044 24992397

Fax No. : 044 2498 8145

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

The Debentures are issued at par and hence no discount is offered to the investors.

**XVII. THE DEBT EQUITY RATIO PRIOR TO AND AFTER ISSUE OF THE DEBT SECURITY.  
Debt Equity Ratio: For the Financial Year 2011-12 (Provisional)**

1. PRIOR TO THE ISSUE OF THE DEBT SECURITY : 139 : 1

2. AFTER THE ISSUE OF THE DEBT SECURITY : 144 : 1

**XVIII. SERVICING BEHAVIOR ON EXISTING DEBT SECURITIES, PAYMENT OF DUE INTEREST ON DUE DATES ON TERM LOANS AND DEBT SECURITIES.**

**NIL**

**XIX. THAT THE PERMISSION / CONSENT FROM THE PRIOR CREDITOR FOR A SECOND OR PARI PASSU CHARGE BEING CREATED IN FAVOR OF THE TRUSTEES TO THE PROPOSED ISSUE HAS BEEN OBTAINED.**

The Company hereby confirms that it is entitled to raise money through current issue of Debentures without the consent/ permission/ approval from the Debenture holders/ Trustees/ Lenders/ other creditors of the Company.

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

**TRUSTEES TO THE BONDHOLDERS:**

TNPFIDCL has appointed “**SBICAP Trustee Co. Ltd.**” to act as Trustees to the Bondholders. TNPFIDCL and the Trustees will enter into a Trustee Agreement, specifying inter alia, the powers, authorities and obligations of the Trustees and TNPFIDCL. The bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorised 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 bondholders. It is proposed that in terms of the agreement, the Trustees will endeavour to protect the interest of the bondholders, in the event of default in regard to timely payment of interest or repayment of principal by TNPFIDCL.

Any payment made by TNPFIDCL to the Trustees on behalf of the bondholders shall discharge TNPFIDCL of its obligations to the bondholders. No Bondholder shall be entitled to proceed directly against TNPFIDCL unless the Trustees, having become so bound to proceed, fail to do so.

A copy of letter from **SBICAP Trustee Co. Ltd.** conveying their consent to act as Trustee for the current issue of Bonds is enclosed elsewhere in this Disclosure Document.

**CONTACT DETAILS:**

**SBICAP Trustee Co. Ltd.**

8, Khetan Bhavan, 5th Floor, 198, J. Tata Road,  
Churchgate, Mumbai - 400 020; Tel: 022-4302 5555; Fax: 022-4302 5500

**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.

- XXI. The rating rationale (s) adopted by the rating agencies.**

Provisional - BWR A (SO) by M/s.Brickwork Ratings India Pvt.Ltd. and Conditional - (ICRA) A-(SO) by M/s. ICRA Limited.

- XXII. Names of all the recognized stock exchanges where securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognized stock exchange has been obtained.**

The Debentures will be listed on the WDM segment of the Bombay Stock Exchange (BSE). TNPFIDCL has obtained the in principle approval letter from BSE.

**XXIII. SUMMARY TERM SHEET**

Issuer	TAMIL NADU POWER FINANCE & INFRASTRUCTURE DEVELOPMENT CORPORATION LTD
Issue Size	Rs.250 crores with a Green shoe option to retain oversubscription up to Rs.250 crores
Face Value	Rs. 10,00,000/- per bond
Issue Price	At par
Nature of Debt Securities & Guarantee/Security	1) State Government guaranteed, Rated, Listed, Redeemable, Non Convertible Bonds in the form of debentures.  2) Unconditional and irrevocable guarantee from Government of Tamil Nadu for timely payment of interest and repayment of principal amount on due dates in respect of private placement of bonds in the form of debentures.
Rating	1. BWR A (SO) by M/s. Brickwork Ratings India Pvt.Ltd. 2. (ICRA) A-(SO) by M/s.ICRA Limited.
Mode of Issue	Private Placement
Tax status	Taxable
Tenure	10 Years
Put/ Call Option	At the end of 7 <sup>th</sup> year
Coupon Rate	9.67% p.a (payable semi – annually from the date of allotment)
Periodicity of Interest Payment	Semi – Annually
Redemption Date	1. 30% at the end of 8th year 2. 30% at the end of 9th year 3. 40% at the end of 10th year
Interest on application money	At the coupon rate (i.e. @ 9.67% p.a.) From the date of realization of cheque / DD / RTGS – till one day prior to date of allotment.
Minimum Application Size	1 Bond and in multiples of one Bond thereafter
Listing	The Debentures will be listed on the WDM segment of the Bombay Stock Exchange (BSE)
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
Instrument form & Settlement mode	De-materialized
Credit Enhancement	Escrow Mechanism
Arrangers	Axis Bank , Almondz Global Securities Limited and Trust Investment Advisors Pvt. Ltd
Debenture Trustee	SBICAP Trustee Co. Ltd.

**PLACEMENT TIME TABLE**

Placement Opening Date	01 <sup>st</sup> August 2012
Placement Closing Date	18 <sup>th</sup> August 2012
Deemed Date of Allotment (DDA)	Within 15 Working days from the date of closure of the issue.

*(Note: Tamil Nadu Power Finance & Infrastructure Development Corporation Ltd reserves the right to vary any of the above dates at its discretion, without assigning any reasons or prior notice in consultation with the Arrangers. The dates given in this Disclosure Document would accordingly stand altered to give effect to the same.)*

XXIV. DECLARATION

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

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

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

Signed by CA.S. Sujatha, General Manager, pursuant to the internal authority granted.

For TAMIL NADU POWER FINANCE & INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.



Ms. CA.S. Sujatha  
General Manager  
Date: July'31, 2012  
Place: Chennai

