

Shri A. G. West Kharkongor

CMD

North Eastern Electric Power Corp. Ltd.

Brookland Compound

Lower New Colony

Shillong – 793 003 (Meghalaya)

February 21, 2017

Confidential

Dear Sir,

Credit rating for outstanding Non-Convertible Debenture issue

On the basis of recent developments including operational and financial performance of your company for FY16 (Audited) and 9MFY17 (Provisional), our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Rating ¹	Remarks
Non-Convertible Debenture issue	4,000 (Four Thousand Crore)	CARE AA; Stable (Double A; Outlook: Stable)	Reaffirmed

2. Refer Annexure I for the details of the rated instrument.
3. The rationale for this rating will be communicated to you separately.
4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

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6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
7. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



(Abhishek Khemka)

Manager

abhishek.khemka@careratings.com



(Vineet Chamaria)

Sr. Manager

vineet.chamaria@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure I
Details of Rated Instrument (Non-Convertible Debentures)

Particulars	NCD-I	NCD-II	NCD-III
Size of the issue (Rs. crore)	2,500	600	900
Tenure	10 years with a moratorium of 5 years		15 years with a moratorium of 10 years
Rate of Interest (p.a.)	9.60%	9.15%	8.68%
Redemption Schedule	Five equal annual installments of Rs.500 crore from sixth year (FY21) onwards	Five equal annual installments of Rs.120 crore from sixth year (FY21) onwards	Five equal annual installments of Rs.180 crore from eleventh year (FY27) onwards

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Lower New Colony

Shillong – 793 003 (Meghalaya)

February 23, 2017

Confidential

Dear Sir,

Credit rating for outstanding Non-Convertible Debenture issue

Please refer to your request for rating of proposed long-term non-convertible debenture (NCD) issue aggregating to Rs.300 crore of your company. The proposed NCDs would have tenure of 3 years and 2 months with bullet repayment on maturity.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating ¹	Remarks
Proposed Non-Convertible Debenture issue	300 (Three Hundred Crore)	CARE AA; Stable (Double A; Outlook: Stable)	Assigned

3. The rationale for the rating will be communicated to you separately.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is February 21, 2017).
5. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
6. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.] as soon as the NCDs have been placed.
7. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

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9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

11. CARE ratings are not recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

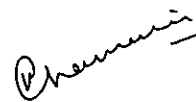
Yours faithfully,



(Abhishek Khemka)

Manager

abhishek.khemka@careratings.com



(Vineet Chamaria)

Sr. Manager

vineet.chamaria@careratings.com

Encl.: As above

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